

Coconut Development Act No. 46 of 1971*

The development of the coconut industry was given a fillip with the passing of the Coconut Development Act No. 46 of 1971 which received H.E. the Governor-General's assent on 30th October, 1971. The Act provides for the establishment of a Coconut Development Authority and a Board or a number of Boards to handle all matters relating to the development of the Coconut Industry. Both the Authority and the Board have been given very wide powers under the Act.

The main features of the Act are:

- (a) It lays down the foundation for a rational organisation of the coconut industry;
- (b) It spells out for the first time the responsibilities of the Government for the upliftment of the industry;
- (c) It provides for the establishment of the machinery for carrying out this task.

Let us first look at the present state of the coconut industry.

Background to the Act

Although the coconut palm grows abundantly in this country, the development of coconut plantations and the coconut industry have made little headway. The grant of state subsidies for the rehabilitation of the industry has not provided the desired results, considering the fact that only 20% of the coconut lands have been rehabilitated.

According to the 1962 Agricultural Survey carried out by the Census Department, the acreage under coconut was categorised as follows:—

Holdings under 20 ha (50 acres)	843,626
Holdings of 20 ha (50 acres) and over	308,792
Total	<u>1,152,418</u>

* An article released by the Research Division of the Department of Information, No. 7, Sir Baron Jayatillake Mawata, Colombo 1.

Based on provisional estimates, there has been a total production of 2,524,794,000 nuts in 1970 as against 1,962,080,000 in 1960, and 2,129,032,000 in 1951. From this it is clear that the production has increased only by a small margin (an addition of 395,762 nuts) during the last 20 years, despite state assistance to improve the industry.

It has been estimated that about 2833 ha (7,000 acres) of coconut become uneconomic each year due to low yields. These 2833 ha (7,000 acres) have to be replanted if the industry is to be maintained at its present level. Though seedlings have been issued each year, there has not been an appreciable change. Generally about 40% of our coconut trees are too old to bear a good crop, so that replanting is an "urgent" must, as the application of fertilizers will not change the position much.

Problems Facing Rehabilitation

But replanting itself poses quite a problem for the country. The new seedlings have to be put under old trees, so that the latter will have to be cleared at a certain stage in the growth of the new trees. As a result there will be an initial loss though this will be more than re-compensated when the new trees start bearing.

Another aspect is that about 65% of the coconut plantations are owned by small holders. It is in fact a small holders crop, so that the owners have to be provided more assistance.

The Government has been giving subsidised fertilizers to coconut growers. Each year the Government spends a large sum on fertilizers. At least 50% of the large owners obtain the fertilizers but only 20% in the case of the small holders. This is one of the principal reasons for the fall in the production of coconut, as there are small holders. One way to overcome this is to get the fertilizers brought closer to the small holders.

Together with the effective use of fertilizers, coconut growers should be induced to use high yielding varieties of coconut seedlings such as the hybrid variety produced at the Coconut Research Institute.

Coconut Exports

The bulk of our coconut exports consists of desiccated coconut and coconut oil. This is borne out in the table on page 144.

While the value of desiccated coconut exports in 1970 amounted to Rs. 98,070,394 and that of coconut oil to Rs. 116,376,029, making a total of Rs. 214,446,423, the value of the other three products (Mattress Fibre, Bristle Fibre and Copra) together amounted to Rs. 69,873,369.

The quantity of desiccated coconut exported in 1970 amounted to 966,895 cwt. as against 1,098,793 cwt. in 1960 and 898,180 cwt. in 1950. As regards coconut oil, Ceylon exported 1,142,276 cwt., in 1970 compared with 1,110,286 cwt. in 1960 and 1,514,337 cwt. in 1950.

From these figures it is evident that while exports of desiccated coconut and coconut oil have accounted for more than 75% in value of the total exports of coconut products, the quantities exported over the last 20 years in respect of these two commodities have more or less fluctuated slightly reflecting the static nature of the industry.

Desiccated Coconut

Our desiccated coconut have been meeting increased competition in recent years from Philippine D.C. which has started entering the European market. The desiccated coconut industry in the Philippines is highly mechanised.

Desiccated coconut is used very widely in European countries in the manufacture of various food items. The manufactures of these food items expect a high standard of hygienic preparation of desiccated coconut and they look for sources where the manufacture of desiccated coconut is mechanised. There are over 80 units in Ceylon manufacturing desiccated coconut which can very well be manufactured by 10 units under full mechanisation. Mechanisation of our desiccated coconut industry has to be given serious consideration.

It is also possible to start several new industries from raw material obtained from coconut but no initiative has yet been taken in this direction.

A National Policy Required

The coconut industry forms such an integral part of the country's economy that it is no longer possible for the Government to keep aloof leaving the development in the hands of private owners to be done in a haphazard way. The Government must not only have a programme for its development but must also keep on implementing it. The time has come for coconut plantations to be regarded as national wealth and as such they have to be developed for the benefit of the country.

Establishment of a Coconut Development Authority

The Coconut Development Authority that has been established under the Act will be responsible for maintaining the coconut industry at a peak level of efficiency. The Authority will function under the Minister and it will advise the Minister on all aspects of the industry.

The Authority has the power to take over any coconut land if it is not administered properly. This will be done if it becomes clear that only by such a step that an appreciable improvement could be effected. The Authority will in the first instance point out the short-comings of coconut plantations that are not properly maintained and the owners will be asked to attend to them and if there is no response, such lands will be taken over and compensation will be paid for them.

COCONUT EXPORTS

Year	Desiccated Coconut		Mattress Fibre		Bristle Fibre		Coconut oil		Copra	
	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
1970	966,895 cwt. 49118.3 t*	98,070,394	1,175,513 cwt. 59716.1 t*	24,810,986	474,083 cwt. 24083.4 t*	22,342,481	1,142,276 cwt. 58027.6 t*	116,376,029	15,267 cwt. 775.6 t*	22,719,932
1960	1,098,793 cwt. 55818.7t *	71,667,708	1,215,287 cwt. 61736.6 t*	28,613,222	489,749 cwt. 24879.3 t*	24,331,138	1,110,286 cwt. 56402.5 t*	79,753,462	29,132 cwt. 1479.9 t*	35,180,729
1950	898,180 cwt. 45627.5 t*	95,237,956	873,948 cwt. 44396.6 t*	15,898,254	178,553 cwt. 9070.5 t*	4,949,434	1,514,339 cwt. 76928.3 t*	127,374,147	21,117 cwt. 1072.7 t*	25,435,672

*t = Metric ton.

Functions of the Authority

The Authority consists of five members, all of whom are appointed by the Minister.

The present members of the authority are:

Mr. N. C. Vithana (Chairman)
Mr. G. V. S. de Silva
Mr. D. F. Balachandra
Mr. W. Goonesekera
Dr. S. Tillekeratne

The chief function of the Authority is to assist the Minister in the formulation of policy and schemes of development and also co-ordinate the activities of the Boards appointed under the Act.

The following is a detailed list of the functions of the Authority:—

- (a) To assist the Minister in the formulation of policy and in the determination of priorities in respect of the coconut industry and the economic utilization of land in coconut plantations.
- (b) To formulate or assist in the formulation of projects and schemes in accordance with the development priorities so determined.
- (c) To implement or assist in the implementation of the projects and schemes formulated.
- (d) To co-ordinate the activities of the Boards established by the Minister under the Act.
- (e) To approve the annual budget of the Boards and to provide them with funds.
- (f) To advise and assist the Boards in the formulation, implementation and maintenance of proper management accounting systems.
- (g) To evaluate the progress of the Board in relation to the policy and development priorities determined by the Minister.
- (h) To assist financially and in any other way any person or body of persons engaged in scientific research of any aspect of the coconut industry and its products or their utilisation of land in and for coconut plantations and to co-ordinate such research activities.
- (i) To enter into co-operation with the consent of the Minister, with international organizations having allied interests and functions.
- (j) To advise the Minister on all matters relating to or affecting the coconut industry.
- (k) To take all such measures which in the opinion of the Authority are necessary for the development and revitalization of the coconut industry.

Coconut Boards

To facilitate the quick implementation of the decisions of the Coconut Authority, the Act also provides for the appointment of a Board or several Boards. Each Board will consist of seven members one of whom will be Chairman and they will hold office for three years.

The functions of the Board include the manufacture and export of coconut products, development of coconut plantations and popularization of proper cultivation practices. The following is a detailed list of the functions of the Board.

- (a) The development and assistance in the development of the productivity of land in coconut plantations.
- (b) The cultivation and assistance in and promotion and regulation of the cultivation of land with coconut.
- (c) The identification of land in coconut plantations suitable for interplay with other crops (including pasture) and the promotion, direction and carrying out assistance in the carrying out of inter-planting programmes on such land.
- (d) The promotion, regulation of, assistance to, and engagements in, animal husbandry on land in coconut plantations.
- (e) The specification, popularization, promotion and direction of proper cultivation practices in respect of the growing of coconut and other crops in coconut plantations.
- (f) The manufacture and assistance in and promotion and regulation of the manufacture of coconut products.
- (g) The promotion of new techniques in the processing of coconut products.
- (h) The promotion and direction of the modernisation, and assistance in increasing the efficiency of establishments manufacturing coconut products.
- (i) The prescription and maintenance of standards of quality of coconut products manufactured in or exported from Ceylon.
- (j) The purchase and sale, and the regulation of the purchase and sale, of coconut products and the formulation and implementation, of minimum and maximum price schemes and price stabilisation scheme for coconut products in general and for small holders' coconut products in particular.
- (k) The export and import and the regulation of the export and import and of the export price and import price of coconut products.
- (l) The maintenance, promotion and creation of demand for coconut products, both within and outside Ceylon, by advertising, by initiating financing, supporting and supervising promotional work, by establi-

shing, managing, supervising and supporting sales rooms and agencies, by organising, assisting and participating in, exhibitions and fairs and by any other means necessary for the purpose.

- (m) The conducting of market research into all aspects of the transport and marketing of coconut products within and outside Ceylon.
- (n) The conducting and furthering of Scientific research in respect, of the growth and cultivation of coconut palms, the growing of other crops and the engagement in animal husbandry in coconut plantations and the prevention and cure of diseases and pests.
- (o) The establishment and maintenance of research institutes, experimental stations and nurseries.
- (p) The conducting and furthering of scientific research in connection with the processing and utilization of coconut products.
- (q) The establishment and maintenance of pilot plants for the processing of coconut products, and the fabrication of experimental processing equipment.
- (r) The training of advisory and extension workers to assist the coconut industry.
- (s) The guiding and advising of the coconut industry on all matters of a technical nature.
- (t) The promotion of co-operative and collective forms of management and ownership of coconut plantations and establishments manufacturing or trading in coconut products.

With the implementation of this Act one could say that a new phase in the development of the Coconut Industry has begun.

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