National Stakeholder Workshop: Green Export Review

VANUATU

Port Vila, Vanuatu
27-28 August 2014

Copra/Coconut
Importance...

• Coconut plantations occupy the largest area under agricultural production in Vanuatu

• Copra and coconut production provides employment, income and a key source of nutrition for the majority of the rural population

• Over 60% of the rural population of Vanuatu is involved in coconut production

• Coconut and copra represent the categories of goods with the highest exports, and today as they account for approximately 30% of total goods exports
Production and Trade...

- In recent years, about one third of copra production is exported in the raw form as copra, with a major share of the remaining production exported in the form of crude coconut oil and coconut meal.

<table>
<thead>
<tr>
<th>Year</th>
<th>Copra produced (tonnes)</th>
<th>Copra exported (tonnes)</th>
<th>Coconut oil exported (tonnes)</th>
<th>Copra meal exported (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>23'167</td>
<td>15'107</td>
<td>5'385</td>
<td>12</td>
</tr>
<tr>
<td>2010</td>
<td>36'066</td>
<td>12'133</td>
<td>10'325</td>
<td>5'222</td>
</tr>
<tr>
<td>2011</td>
<td>40'320</td>
<td>13'596</td>
<td>12'000</td>
<td>6'917</td>
</tr>
<tr>
<td>2012</td>
<td>35'834</td>
<td>16'846</td>
<td>10'011</td>
<td>6'082</td>
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</tbody>
</table>
Processing...

- Currently, 2 copra crushing mills are operational in Luganville (Santo Island, Sanma Province), exporting crude coconut Oil (CNO), coconut meal and manufacturing CNO products (Oils/soaps).
- Another 3 mills have recently become operational in Vanuatu.
- However, raw copra is still being exported without value added processing.
Processing...

• A major opportunity remains to retain much of the added-value of the copra value chain in Vanuatu rather than to continue to export raw copra to other countries for processing.

• Although coconut oil and coconut meal accounts for a major share of Vanuatu's coconut exports, increased domestic processing of copra could be profitably increased.

• Many of the other final products in the copra/coconut value chain noted above remain to be produced from by-products in the value chain.
**Value Chain...**

Copra/Coconut Value Chain *(preliminary draft - to be elaborated by stakeholders)*  
**Shaded green areas are products that can be marketed in tourism sector**

<table>
<thead>
<tr>
<th>Primary</th>
<th>Added Value (1)</th>
<th>By-products</th>
<th>Added Value (2)</th>
</tr>
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<tbody>
<tr>
<td>Coconut</td>
<td><strong>Virgin coconut oil</strong></td>
<td>Coconut shell</td>
<td>Household utensils, decorative products</td>
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<td></td>
<td><strong>Coconut flower syrup and sugar</strong></td>
<td></td>
<td>Activated carbon (industrial product for absorption of gas)</td>
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<td></td>
<td><strong>Sweets, candies</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Soap</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Cosmetic products</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Dry coconut, shredded coconut</strong></td>
<td>Coconut husks (coir)</td>
<td>Carpets, door mats</td>
</tr>
<tr>
<td></td>
<td><strong>Coconut milk &amp; powder</strong></td>
<td></td>
<td>Coir dust (mulch, compost)</td>
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<tr>
<td></td>
<td><strong>Coconut water (beverage)</strong></td>
<td></td>
<td>Geotextiles</td>
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<tr>
<td></td>
<td><strong>Coconut wood</strong></td>
<td>Lumber products</td>
<td>Wall panels, furniture, doors and windows</td>
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<tr>
<td></td>
<td><strong>Coconut leaves</strong></td>
<td>Plaiting material</td>
<td>Basketry products</td>
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<td></td>
<td></td>
<td></td>
<td>Brooms</td>
</tr>
<tr>
<td>Copra</td>
<td><strong>Refined Coconut oil</strong></td>
<td>Copra meal</td>
<td>Animal feed, Biofuels</td>
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<tr>
<td></td>
<td><strong>Cooking oils</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>Oleo-chemicals</strong> (fatty acids, fatty alcohol, glycerin)**</td>
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SWOT...

Copra/Coconut SWOT Analysis *(preliminary draft - to be elaborated by stakeholders)*

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>- Abundance of established trees suited to local conditions</td>
<td>- Insufficient mill processing capacity</td>
</tr>
<tr>
<td>- Favorable climate</td>
<td>- Limited value-added production; reliance on raw commodities exports to foreign markets for processing</td>
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<tr>
<td>- Developing marketing network</td>
<td>- Insufficient infrastructure for manufacture and transport</td>
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<td>- Rich value-added product possibilities</td>
<td>- Lack of finance availability for smallholders</td>
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<tr>
<td>- Low maintenance plantation management</td>
<td>- Lack of incentive to replant for future supply</td>
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<td>- Suited to intercropping</td>
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<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tbody>
<tr>
<td>- Target higher value buyers with more valuable and convenient products</td>
<td>- Aging trees, declining supply</td>
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<tr>
<td>- Improve linkages to tourism sector to tap local market for artisanal coconut products</td>
<td>- Poor tree management promoting pests and disease</td>
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<tr>
<td>- Improve quality and food safety to meet growing world quality standards</td>
<td>- Changes in government policy</td>
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<tr>
<td>- Add value across entire product line to motivate replanting</td>
<td>- Rising quality standards of markets and competing countries</td>
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<tr>
<td>- Harvest senile palms for flooring and other timber uses</td>
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<td>- Coconut oil offers health benefits</td>
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<td>- Organic certification</td>
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