




VANUATU VIRGIN COCONUT OIL EXPORT GUIDE

Green exports to foster sustainable development



The main objective of this presentation:

- To validate the information presented in the Vanuatu Virgin Coconut oil Export guide.

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1. Introduction

Why this export guide?

To provide producers and exporters of coconut oil in Vanuatu with information on the requirements and procedures to be followed to meet the regulations of importing countries.

- a) Increased awareness among potential coconut oil exporters regarding the minimum requirements expected.
- b) Strengthening and improving internal logistical and supply network for facilitating Virgin Coconut Oil's (VCO) production, transportation and export.
- c) Revitalizing the country's coconut industry through increased export of quality coconut oil.

2. Before exporting:

- **Research your market:** The markets identified in this export guide are as follows:
 - The Australian coconut oil market,
 - the European union coconut oil market
 - the Domestic VCO market.
- The local market price ranges from **700vt to 3500Vt per litre**
- **Comparison** of VSS certified VCO to non-certified shows that:
 - VSS certified products are more likely to be sold direct to customers at a higher price margin for the same volume of product as non- certified products.
 - For example: 1500vt for 330ml of VSS certified VCO whereas the non-certified VCO is sold at 350VT for 250ml.

2. Before exporting:

- Estimating costs and finding information: **Tariffs (similar for certified and regular VCO), Various Taxes/Fees, Shipping/logistics, Customs brokers, Testing laboratories and facilities and Certification costs.**

Cost/benefit estimate for 1 tonne/ 1000 litres of VCO for export based on interviews:

Cost of raw materials ²	+	VT	700,000
Cost of freight to Port Vila	+	VT	4,000
Cost of additional filtering	+	VT	5,000
Cost of packaging	+	VT	10,000
Cost of export related activities	+	VT	100,000
Cost of export freight	+	VT	70,000
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Total estimated cost	=	VT	889,000
Export market price @ *VUV 1500/l of oil ³	=	VT	1,500,000
Market value of 1,000 litre of VCO	=	VT	1,500,000
Total estimated cost of input	-	VT	889,000
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Potential benefit (not accounting for cost of labour)	=	VT	611,000

2. Before exporting:

Table 2: *Specific fees and requirements to export virgin coconut oil*

Documentation	Cost	Contact
1. Business name registration	VT 13,000 for new registration VT 5,000 for renewal	https://www.vfsc.vu/business-names-form/
2. Business license	VT 10,000 for renewal (for a new business total fee will be calculated against the number of months left in that year)	Customs and Inland Revenue (see contact in Annex 1)
3. Industry permit	VT 2,500	Department of Industry
4. Certificate of origin	NO COST (FREE)	Customs and Inland Revenue (see contact in Annex 1)
5. Customs handling fee	VT 1,000	Customs and Inland Revenue (see contact in Annex 1)
6. Inspection of empty container	VT 1,000	Department of Biosecurity Useful link to see additional fees: https://biosecurity.gov.vu/index.php/fees-charges/biosecurity-fees

2.2.3 Shipping/logistics

Information regarding the estimations of costs relating to shipping or logistics can be found in Table 3 (note that all contact details can be found in Annex 1).

2.2.4 Customs brokers

Customs brokers can help you export your products by assisting with the completion of all necessary paperwork and payments. They can also provide advice on the next steps of the process.

2.2.5 Testing laboratories and facilities

There are two laboratories on Efate that can conduct testing on VCO (see contacts in Annex 1):

- The **Vanuatu Bureau of Standards laboratory** can carry out both microbiological analysis (hygiene test) and chemical analysis (quality test). The total cost for a chemical analysis of VCO samples provided to the VBS laboratory is approximately **VT 3,700**, which includes tests for moisture content (**VT 600**), oil content (**VT 1,000**), free fatty acid content (**VT 1,500**), and refractive index (**VT 600**). The cost of microbiological analysis ranges from **VT 600** to **VT 1,800**, depending on the type of test required. Additionally, a certificate of analysis (results of testing) costs **VT 600**.
- **GeoLabXP**: Contact them for more information about the testing costs (see contact details in Annex 1).

2. Before exporting:

2.3 Getting local support (further detail in Annex 1)

These are several local public offices and private businesses that can provide support to help you export your VCO to international markets:

Export assistance:

- To obtain assistance with exporting your product, finding information, and accessing online procedures, you can use the Department of Customs and Inland Revenue's Single Window Portal. You can access the portal via this link: <https://singlewindow.gov.vu/>.

Technical assistance to assist in meeting market certification requirements for production facilities:

- Contact the Vanuatu Bureau of Standards, the Department of Biosecurity, and Quality Solutions Pacific for technical assistance to help meet market certification requirements for production facilities. This includes obtaining a Certificate of Analysis, Phytosanitary Certificate, and Standards Certification.

Marketing assistance:

- Contact the Department of External Trade, Vanuatu Chamber of Commerce and Industry and the Marketing office of the Department of Industry.

Financial support to assist in exporting your product:

- Seek assistance by contacting the Department of Industry and also the Office of the Registrar of Cooperatives and Business Development Services for more information on these following funds:
 - a. Industry Development Fund (IDF)
 - b. Cooperative Development fund (CDF)

3. Getting ready to export:

- Register as an exporter:

3.1 Register as an exporter

Here are the steps to become an exporter of VCO:

Step 1: Register your business name at the Vanuatu Financial Service Commission.

Step 2: Get a business license from Customs and Inland Revenue.

Step 3: Get an industry permit from the Department of Industry.

Step 4: Identify market requirements and start exporting VCO (see 3.2 Summary by exporting destination).

Step 5: Apply for Value Added Tax (VAT) number if the business is making an overall income exceeding VT 4 million.

How to apply for VAT number:

- Check the eligibility of your business (use this guide: https://vanuatucustoms.gov.vu/images/VAT/ENG_Do_you_need_to_register.pdf)
- Contact the Office of Customs and Inland revenue for more information.

3. Getting ready to export:

- **Summary by exporting destination:** provides conditions that apply only to the export of Virgin Coconut Oil. Vanuatu exporters must check with the VCO distributor/buyer in Australia or the European Union to determine which market requirements fall under the responsibility of the exporter.

3.2.1 Australia

a. Hygienic and quality requirements

- Requirement to be clean and free of contaminant seed, soil, animal and plant debris and other biosecurity risk materials
- Extraneous residue limit (DDT), 1 mg per kg, for edible vegetable oil
- Maximum level of natural toxicants (Erucic acid), 20,000 mg per kg, for edible oil
- Requirement to use permitted processing aids and food additives

b. Testing

- Microbiological Analysis
- Chemical analysis

c. Packaging

- Each consignment of goods to be packed in clean and new packaging

3.2.2 European Union

(1) Virgin coconut oil as food

a. Hygienic and quality requirements

- Maximum level of contaminants
 - Metal, 0,10mg per kg wet weight for oils
 - Sum of dioxins (WHO-PCDD/F-TEQ) 0,75 µg per g fat, for vegetable oils and fats
 - Sum of dioxins and dioxin-like PCBS (WHOPCDD/F-PCBTEQ) 1,25 µg per g fat, for vegetable oils and fats
 - Sum of PCB28, PCB52, PCB101, PCB138, PCB153 and PCB180 (ICES – 6) 40 ng per g fat, for vegetable oils and fats
 - Benzo(a)pyrene 2,0µg per kg, for coconut oil intended for direct human consumption or use as an ingredient in food
 - Sum of benzo(a)pyrene, benz(a)anthracene, benzo(b)fluoranthene and chrysene 20,0µg per kg, for Coconut oil intended for direct human consumption or use as an ingredient in food

3. Getting ready to export:

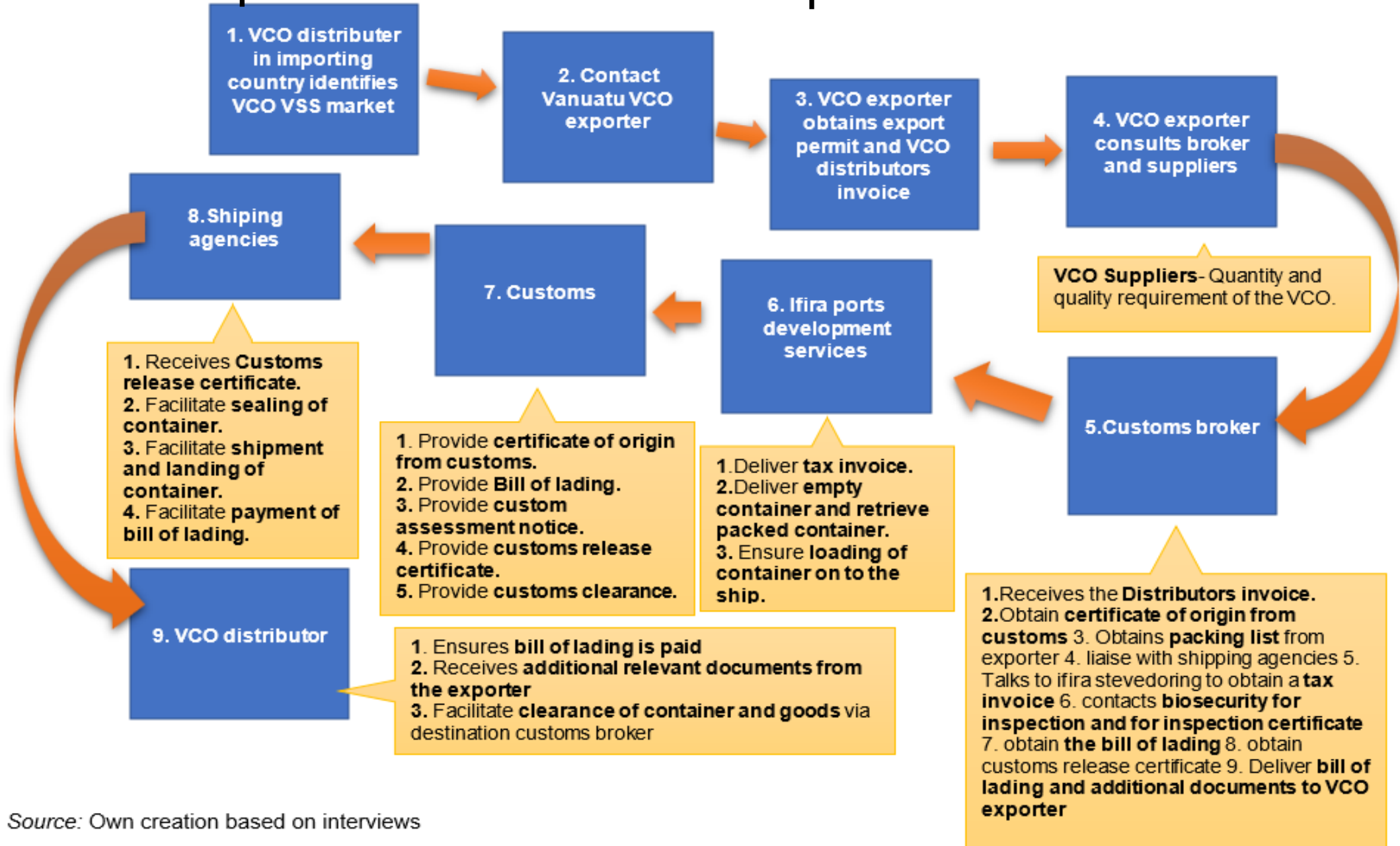
- Obtaining the necessary certification for exporting organic/Fairtrade VCO

3.3 Obtaining the necessary certification for exporting organic/Fairtrade VCO

There are two Certifications that you can apply for:

- A. The Pacific Organic Standard certification
- B. Fair trade certification

4. Flowchart of VCO Export value chain



Source: Own creation based on interviews

5. Exporting VCO

- **Ship:**

4. EXPORTING VIRGIN COCONUT OIL

4.1 Ship

Currently the most economical method of transporting coconut oil products to export is via international ships that visit Port Vila and Luganville wharfs every 15 days (contacts below). The process of getting a consignment of VCO by ship can be as follow:

- 1) Obtain an overseas VCO distributor's invoice
- 2) Secure the assistance of a customs broker
- 3) Obtain a certificate of origin from the Department of Customs
- 4) Obtain a bill of lading from the Department of Customs
- 5) Provide a packing list to the Department of Customs
- 6) Obtain a tax invoice from wharf authorities
- 7) Obtain a certificate from Biosecurity for inspection of the container
- 8) Obtain a customs assessment notice
- 9) Obtain a customs release certificate
- 10) Obtain customs clearance
- 11) Ensure sealing of the container by vessel authorities
- 12) Provide copies of the bill of lading and other necessary documents obtained from the customs broker and send them to the overseas distributor

*For more detailed information contact these government agencies and private shipping companies (see contact details in Annex 1);

5. Exporting VCO

- **Arrival in country**

4.2 Arrival in country

Upon the arrival of goods at the destined port of entry, the buyer is responsible for ensuring that the goods are cleared by Customs and Biosecurity based on the documents sent to them by the exporter. This is why, before the goods are dispatched to the destined market, it is essential to ensure that all necessary steps and measures are followed and strictly adhered to.



Thank you

Any questions?