

PHILIPPINE COCONUT AUTHORITY
Annual Accomplishment Report
CY 2011

Under the Presidency of Benigno S. Aquino III, the coconut industry continuous to gain strides in its marching orders to improve the lives of millions of Filipinos dependent on coconut. The upliftment of the most disadvantaged sector of the industry, the coconut farmers is a key priority. To attain this end, the gradual upliftment of the coconut industry was made through key intervention packages in the form of production support, market development, extension, regulatory services, institution building and R&D, to cite a few. Paramount objective of said programs is to ensure supply for the domestic and international markets for traditional and emerging coconut by-products and provide jobs/ farm level income for coconut producers.

Copra millgate price increased to a higher level in 2011, with an average of Php46.00 per kilogram from the Php28.85 in the preceding year. Preliminary computation of coconut oil export for 2011 is estimated at 0.823 MMT with a value of US\$1.4 Billion compared to CNO exports of 1.342 MMT in 2010 with a value of US\$1.260 Billion. Price of CNO in 2011 increased by 54% to an average of US\$1,721 per MT from the US\$1,119.00 per MT in 2010.

Initial estimate of coconut production for 2011 is envisioned to reach around 2.062MMT compared to the 3.003 MMT in 2010, or a decrease of 46%.

Major highlights of accomplishment during the year as follows:

1. National Coconut Productivity Program (NCP)

1.1 Salt Fertilization Project (SFP)

The SFP is a program aimed at fertilizing fruit-bearing coconut trees using common salt to increase coco productivity and improve coco resistance to pest and diseases. Under Batch IX of SFP, 24,524 bags applied over 6,131 hectares with beneficiaries reaching 5,948 farmers.

1.2 Participatory Coconut Planting Project (PCPP)

The PCPP is a program designed for coconut planting and replanting using high-yielding open pollinated varieties. During the year, 3,112,675 seedlings planted over an area of 31,000 hectares and benefiting 32,530 coconut farmers.

2. Seednut Production (PCA Seedgardens)

During the calendar year in review, 2,618,303 seednuts produced

3. RA 8048 Implementation

During the period in consideration, 6,117 permits were issued, 305,477 trees cut and 191,505 seedlings replacement.

4. Institution Building

- 7,598 CFOs assisted with 385,143 members
- 811 Cooperatives assisted with 114,160 members

KAANIB Project

KAANIB or an acronym for Kasaganahan Sa Niyugan ay Kaunlaran ng Bayan is the coconut industry's farm development program which: (1) requires an integrated resource and service convergence approach to showcase coconut small farm productivity and (2) promote coco-based enterprises in organized farm clusters operated by and for small coconut farmers. In CY 2011, 10 sites were established/maintained, 20 livelihood projects were implemented benefiting 1,216 farmer participants.

Local Coconut Industry Development Council (LCIDC)

LCIDC is a vehicle to empower/facilitate coconut farmers participation in government's decision-making process. Ultimate goal is to provide a meaningful and fruitful responsive participation in industry decision-making. In CY 2011, of the five (5) scheduled Regional Conferences, three (3) actually took place in Davao, Eastern Visayas and Zamboanga Peninsula. Follow-up activities will dwell on the conduct of additional Regional Conferences.

5. Market Development Services

- Registration of 4,827 traders, 93 processors/exporters/oil millers and 2,179 coco lumber dealers/processors.
- Trade promotion activities reached 22 during the year.

6. Research and Development

- Ongoing are 3 studies on varietal improvement, 7 on biotechnology/tissue culture, 4 on crop agronomy, nutrition and farming system (CANFARMS), 7 on integrated crop protection, 9 on product development and 6 on special projects.
- Laboratory services included the analysis of 1,030 plant tissue samples and 1,100 samples for export and referential purposes.

Vital Impact on the Economy

Coconut production in 2011 was lower compared to 2010 due to the stress experienced by coconut palms from the strong production of the previous three (3) years. Production in 2011 was also affected by the El Nino phenomenon in 2010, since it takes about a year before the impact of the dry spell is fully felt on production.

Millgate price per kilo of copra in 2011 stood at Php46.00, an increase of 59% from last year's level of Php28.85. Copra farmgate price for 2011 was Php39.48, an increase of 96% from 2010's price of Php20.16.

Coconut oil exports in 2011 fell in volume terms by 39% from 1.342 MMT in 2010 to 0.823 MMT. However, in value terms, CNO exports rose by 11% from US\$1.26 Billion in 2010 to another record level of US\$ 1.4 Billion in 2011.

Using your coconut remains a vital ingredient in the government's strategy to boost the industry by way of: (1) value-adding the most of our existing and emerging coconut by-products given their large revenue potential; and (2) implementing the best plan or road map to accelerate growth and income in the coconut sector.

Market-wise, the coconut industry future remains bright. Coco sugar is utilized today in desserts and as viable sugar-substitute for diabetics. Virgin coconut oil (VCO) has emerged as a major non-traditional export in the past decade for its usage as a medical cure for colds, arteriosclerosis, Alzheimer's disease and as counter to dangerously high levels of cholesterol in the human diet, among others.

Notable developments in coconut products is the: (1) use of coconut for accessories to create handbags, bracelets, jewelry and household items; and (2) the growing market for ready-to-drink coconut water beverage that are high in valuable electrolytes. Proof of this is the establishment by a foreign investor of a coconut beverage facility in Bicol in recent year 2010.