

Coconut Industry Sector Outlook H1 2021 – Snapshot

Current Standing

- As at 24th September 2020 the auction price of coconut was Rs. 56.40.
- According to available numbers as of 2017, total land area used for Coconut cultivation was 409,244 hectares and the annual harvest was 2,500 to 3,000 millions of Coconuts.
- Earnings from all the major categories of Coconut based products increased in November 2020 compared with November 2019.
- Earnings from Coconut Oil, Coconut Fresh Nuts, Coconut Milk Powder, Coconut Cream, Liquid Coconut Milk and Coconut Flour categorized under the Coconut Kernel Products increased y-o-y by 50.2%, 14.29 %, 25.54 %, 37.62%, 61.73% and 171.43 % respectively in November 2020.
- Coconut fiber products increased by 43.68 % to USD Mn 11.71 in November 2020 in comparison to November 2019.
- Coconut shell products increased by 11.76 % in November 2020 compared to November 2019.
- For the month November 2020 total export value was USD Mn 56.92.
- Total export value for the period Jan-Nov 2020 was USD Mn 609.68, which is an increase of USD Mn 40.17 compared to the same period previous year.

Quantitative Factors

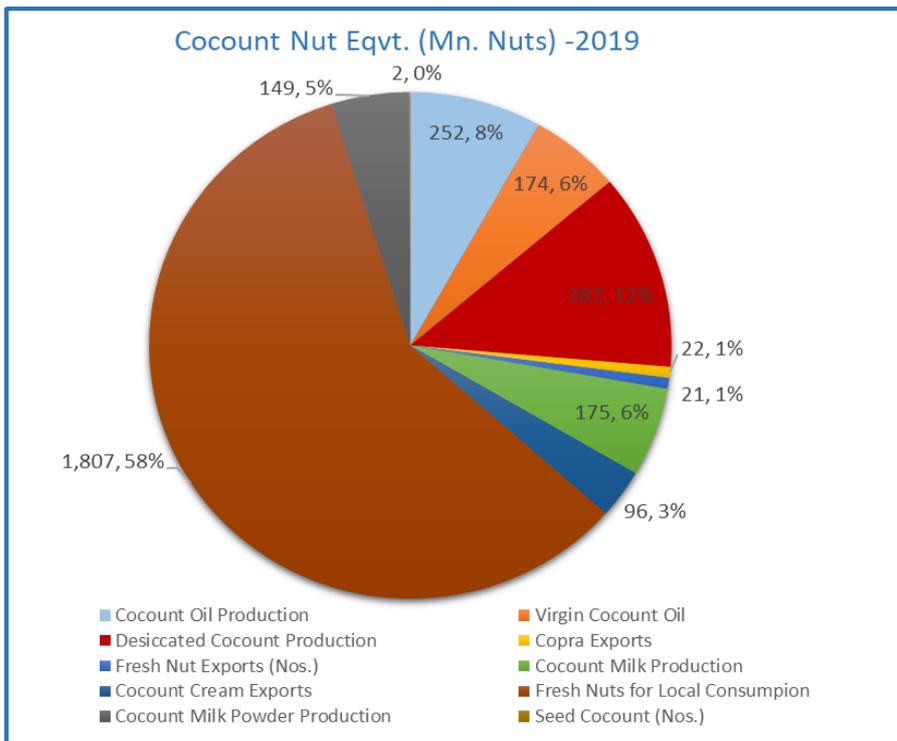


Figure 1: Coconut Industry Dispersion

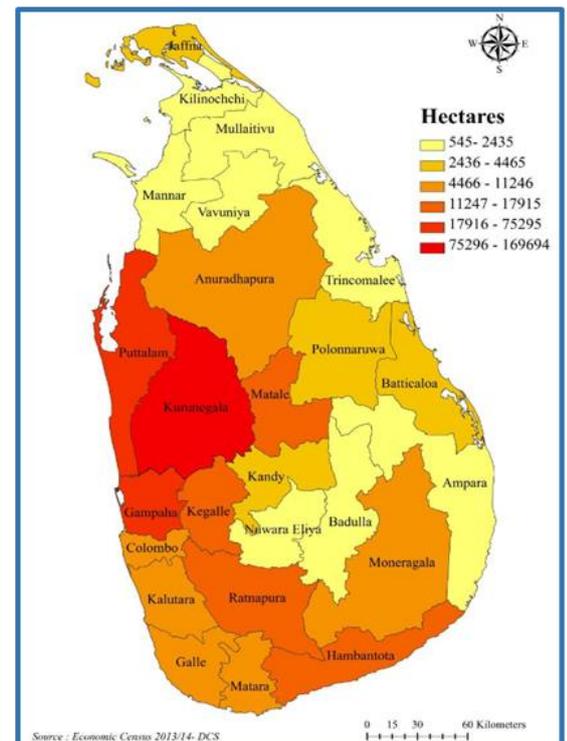


Figure 2: Coconut Distribution in Sri Lanka

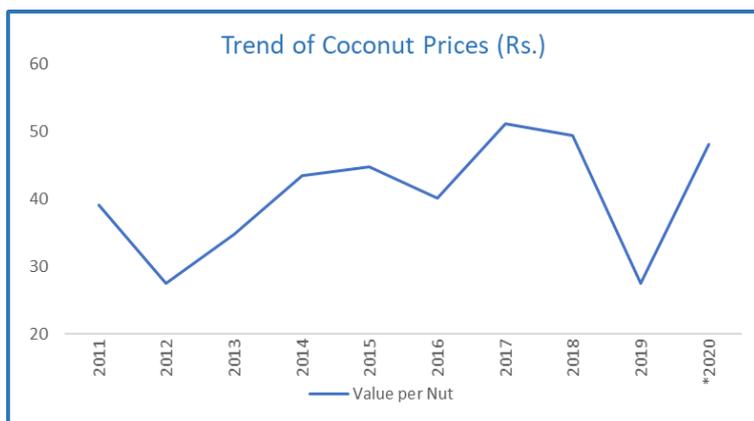


Figure 3: Trend Analysis of coconut prices

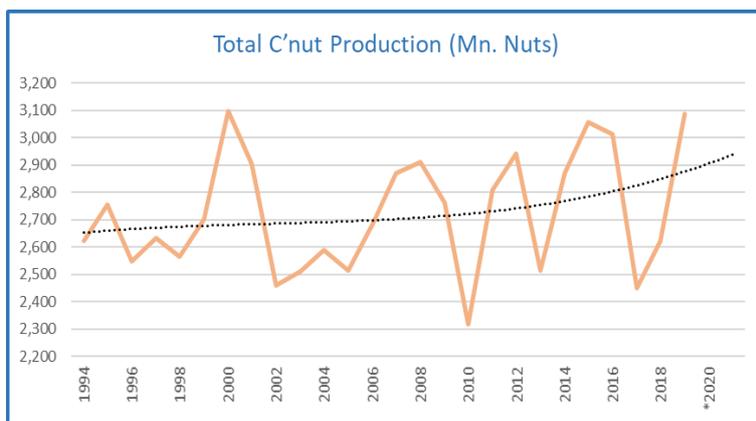


Figure 4: Trend Analysis of coconut quantities

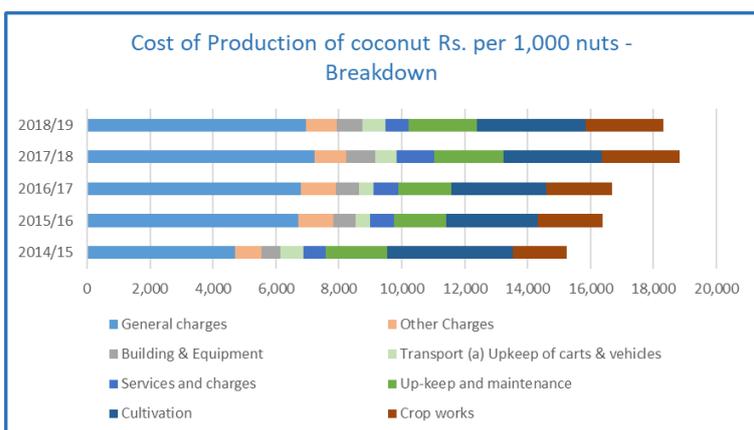


Figure 5: Cost of production Breakdown

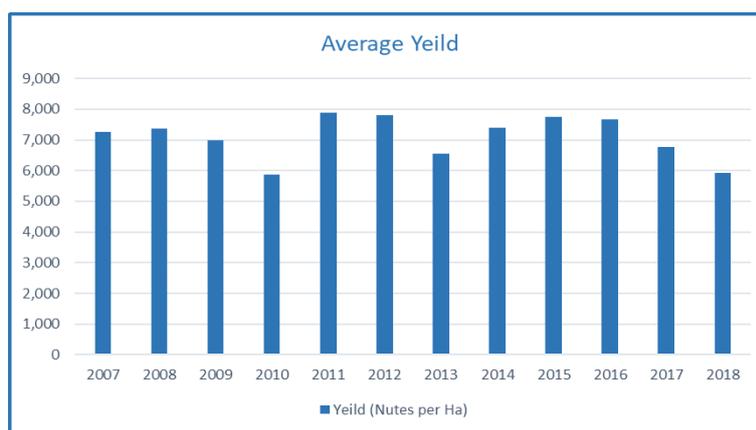


Figure 6: Average yield of nuts per hectare

Qualitative factors

- Currently there is a shortage in the supply of Coconut in the country
- Initiatives made by the government to import dry coconut will have a negative impact to the industry
- Life style changes from pandemic will affect negatively (move towards horizontal living rather than vertical living)
- Plotting large coconut estates for constructions have become a serious factor for the reduction in Coconut production

Outlook for H1 2021

From the Qualitative factors, it expresses that there will be neutral signals as there are both favorable and unfavorable factors. Hence Neutral outlook can be suggested for the H1 2021 However, the industry sector is expecting to grow than H1 2020.

By considering all the factors for overall Coconut industry it can be suggested between Neutral to Positive Outlook for the H1 2021.

This document is only a Snapshot of detailed Coconut industry Sector outlook.

Based on industry specific variables we have developed two models to predict Coconut harvest and coconut price for the future periods.

As coconut industry consist with different kind of stakeholders, we have done detailed analysis for separate subgroups such as Growers outlook, Fiber outlook, Coconut oil outlook, Coconut nutshell etc.