

Current Issues and Policies to Address Inefficiencies of Coconut Industry

R. M. D. H. Rathnayake¹

ABSTRACT

Coconut is one of the major plantation crops in Sri Lanka which accounts for approximately 12% of all agricultural produce in Sri Lanka. Total land area under cultivation is 395,000 hectares and about 2,500 million nuts are produced per year. According to the CRI forecast, the annual coconut yield for the year 2019 is 2828 million nuts (Sri Lanka Coconut Statistics 2017 Coconut Development Authority) and it is 10.% increase compared to the Annual National Coconut Production (ANCP) in year 2016 (2736 Mn. nuts). The coconut industry is an important source of foreign exchange, and an essential component of Sri Lankan cuisine, nutrition and rural livelihood. Coconut based products are from the Kernel, Shell, Husk, and fiber based. The main research problem of the study is although coconut production has increased significantly, the coconut processing industry has failed to absorb excess nuts. There is a rapid decline in price of coconut with this harvest and due to that coconut growers and coconut oil producers have experienced problems. Farm gate price of nuts has decreased significantly while reaching to a level where the price is less than the cost of production. This study is use both Primary and secondary data .The main tool that was used for data collection was questionnaire, and the data gathered from the Coconut Research Institute, Coconut Development Authority and Coconut Cultivation Board. Finally, Coconut Industry is hailed as the third largest net foreign exchange earner and one of the largest contributors towards the Gross Domestic Product of Our Nation. Coconut harvest is high this year so that the farm gate prices of a coconut has fallen. As there is no restriction on the export of coconuts, can be proposes to promote exports and Formulate a policy framework for the coconut industry of Sri Lanka to meet new challenges.

Key Words: Coconut Industry, Inefficiencies, Farm- Gate Price, Export Promotion

¹ Ministry of Economic Reforms and Public Distribution, hansirathnayakermd@gmail.com