



Revival of Coconut Industry in Malaysia

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Introduction

Coconut or *Cocos nucifera* L. is synonym as a 'versatile tree' due to its multifunctional attributes that have generated a wide range of usage from food to cosmetics, and high value household to industrial products. Coconut is widely distributed throughout Asia, whereby Indonesia is the largest producer in the world, amounting to more than 18 million metric tons (MT) (2014). Malaysia remains as one of the top 10 coconut producing countries in the world and coconut is the 4th important industrial crop in Malaysia after oil palm, rubber and rice. Malaysia has progressively increased production of coconut for both local and international markets from 550,140 (2010) to 624,727 MT (2013). The production however, showed a decreasing trend from 2014 until 2016 at an estimated value of 530,000 MT. Based on current production and increasing demand from both traditional and newly emerging industries, the productions still insufficient to accommodate the needs of the industry. It is estimated that 110,000 MT more coconuts are needed to meet the demand. One of the main constraints is declining acreage of cultivation area for coconuts from 105,658 hectares (2010) to 80,360 hectares (2016). This is because the coconut growers' interest has shifted to another more competitive industrial commodity such as palm oil. As a consequence, Malaysia needs to import coconuts from neighboring countries valued at RM63 million (2014). Therefore, to increase the competitiveness of our local coconut industry, the productivity level needs to be improved. This would lead to increase income and generate interest of coconut.

Revival of Coconut Industry

Presently, there is an urgent need to revive the coconut industry even though coconut may not be the number one tree crop in Malaysia. However, the description of the coconut as a 'tree of life' cannot be disputed due to its many different uses. Malaysia has to make an effort to give the coconut industry a new breath of life because for several decades, this industry has been taken out of the limelight due to an effective campaign and propaganda which discredits the beneficial effects of the coconut products, especially coconut oil. For a long time, the public has been made to believe that the coconut oil causes many human health problems. As a result, the coconut industry became non-competitive and demand for coconut oil significantly declined. We have to work hard to liberate the coconut oil from the false image

bestowed on it by marketers of rival edible oils. Currently, one of the main products of the coconut industry is the virgin coconut oil or VCO which has been accepted in the global market. Based on 1, 500 scientific studies, VCO has been proven as a 'super natural functional food'. Virgin coconut oil contains 92% saturated fat, but 64% of this fat comprises of medium chain fatty acids (MCFA) which are beneficial to human health. The MCFA are the special elements in the VCO which can be easily broken and used as energy and will not clog the arteries or any other parts of the body. On the other hand, almost all vegetable oils such as soybean, corn and sun flower seed do not contain this special element. In addition, VCO has also been proven through scientific studies, to eliminate various kinds of bacteria, viruses, fungi and protozoa which cause human diseases.

Way forward through R&D

Coconut research and development has been conducted at MARDI for more than three decades. Despite the various efforts being done in research, the coconut industry is still facing problems in competitiveness and does not progress as expected. Therefore, stronger efforts from respective organizations are needed in order to make this industry grow again and become more competitive locally and globally. For the last 10 years, MARDI has put an extra effort on research to develop new technologies to value-add the coconut-based products. Until recently, MARDI successfully commercialized three coconut-based products, i.e. VCO, activated virgin coconut oil (AVCO) and coconut water vinegar. MARDI has also established a few proofs of concepts (POCs) for coconut-based products that are needed for upscaling at the industry level. MARDI believes that continuous R&D, especially on value-added and high-value products from coconuts such as VCO and other health products, must be enhanced for the industry to prosper. Expansion of new export markets for these products must also be looked into as local market is too small to stay competitive. Besides planting technologies and new markets, priority should also be given to technology transfer and product quality. Malaysia should grab this opportunity to develop high quality VCO-based products because we have the capabilities and the technologies to do it. There is a large potential market for VCO-based products as food, cosmeceuticals, nutraceuticals and pharmaceuticals. It is very important for Malaysia to take advantage of these high-value products and by doing so, we could strongly revive the overall coconut industry in the country.

Date submitted: Oct. 26, 2017

Reviewed, edited and uploaded: Oct. 27, 2016