

FEATURES OF
COCONUT:

- Heart Healthy
- Low on the Glycemic Index
- High Fiber Content
- Natural Iso-tonic
- Boosts Immune System
- Energizes the body
- Moisturizes hair and skin

Product Investment Profile: Coconut and Coconut Nursery Production

MAY 2017

Coconut Overview

Coconuts and coconut related products have been globally recognized as a billion dollar industry, boasting over 55 billion nuts per annum from more than 12 million hectares, supporting and giving rise to an industry with a value of over USD six billion at wholesale (Smith et al. 2009, 5). At present (2009 – 2013), the value of the wholesale coconut industry averages approximately 10 billion dollars (FAO 2016), an increase of approximately 67 percent in four years.

Coconuts has been a part of the traditional and cultural ethos of the Caribbean, such that it has integrated itself into the very definition of Caribbean, in the Sun, Sea and Sand context. In fact, it has been an intrinsic part of the livelihoods of the peoples. The industry has now expanded beyond that of the subsistence level though it remains at the threshold of large scale commercial status.

There is inherent agricultural potential in the Caribbean and the Coconut Industry is one which straddles, high agricultural potential, market appeal and economic attractiveness, making it a priority commodity for development. The regional coconut industry is positioning itself to spring-

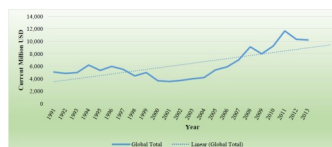
board onto the global stage and recapturing regional market share for a variety of coconut products and by-products and capturing market share in extra-regional markets for specific coconut products and by-products.

The global dynamic regarding the coconut industry is that it has seen a revitalization as production and production value figures indicate. The market has grown and demand is increasing as the data reflects such a trend. Coconut oil is the preferred product

There is insufficient coconuts to currently match demand and it is expected that this will continue to be the scenario for the near future. Dedicated Coconut nurseries to allow for the expansion of production acreages across the Caribbean has been proposed as a means to create the platform for filling the production gap. Certified, disease free planting material of specific varieties has been a rare commodity and there is much scope for the development of this industry.

The Caribbean Region, has become an attractive area for investment regarding every aspect of the Coconut oil industry, primarily that of production and processing. It mirrors that of the Pacific in terms of its climatic and geographical characteristics and is untapped in its potential to achieve the levels of production as seen by its eastern hemispheric counterparts.

The Caribbean is now the new frontier in that regard with competitive advantages which may make it more attractive than the established Pacific. Exciting prospects lie ahead for the Caribbean Region as it relates to the Coconut Industry and this is merely the beginning.



Global Coconut Gross Production Value (current million)

within the Global oil and fats industry where it commands the highest and premium prices. The Coconut water market has realized significant growth, due in no small part by celebrity endorsements. Regarded as a super food, its health and nutritional benefits have created niche markets especially in the whole foods, gluten free and heart healthy segments.

Destination Considerations



The Caribbean Region

There is now a spike in demand for a range of coconut products where value has been added to allow for the functional and nutritious qualities to come to the fore.

Coconut Flour
Product from
Saint Lucia



In the Caribbean, there are three primary considerations in terms of large scale coconut production and having an isolationists environment for Coconut nursery production. Belize, Guyana and Suriname are countries with large tracts of land situated on the Central American isthmus and South American continent.

The majority of these lands

are untouched, free from pests and diseases in relation to coconuts and are expansive, allowing for production which can impact on a regional and global scale. Competitive advantages also lie with those countries which are most southern located and lie outside of the hurricane belt, countries such as Barbados, Guyana, Suriname and Trinidad and Tobago.

The island states, though many have terrain constraints and restrictive size, some have excess land available for large scale production of coconuts. Those which are more limited in their land capacity, integrated crop production models are promoted which can lend themselves as economically viable models, agro-tourism opportunities along with unique product offerings.

Coconut Market Drivers

The Coconut palm is regarded as the Tree of Life and in other places, the Tree of a Thousand Uses, however, it is now regarded as a super food. Coconut is seen as a functional food owing to its health and nutritional benefits. Additional medical claims are that it may be beneficial in the treatment of obesity, dyslipidaemia (abnormal amount of lipids (e.g. triglycerides, cholesterol and/or fat phospholipids) in the blood), elevated Low-Density Lipoprotein (LDL), better known as bad cholesterol, insulin resistance and hypertension.

It is also rich in protein and high in fibre content along with being a rich source of amino acids, calcium, potassium, protein, fatty acid, electrolytes and magnesium. Coconut is also known to aid in the relief of particular infections (bacterial, viral, fungal or

parasitic), due to its high anti-parasitic property. Additionally, coconuts registers low on the glycaemic index, making it appealing to those who are diabetic and need items which are slow sugar releasing.

There is now a spike in demand for a range of coconut products where value has been added to allow for the functional and nutritious qualities to come to the fore. Such products include but are not limited to; coconut flour, coconut sugar, cold pressed virgin coconut oil, pure coconut water and desiccated coconuts. Being tagged with market terms such as; gluten free, functional food and super food, allow such products to attract premium prices.

There is also the natural and whole foods market where consumers are looking for products which are not

processed or processed as little as possible so as to limit their exposure to artificial elements in food, in the interest of health and nutrition. As a trend, this is also taking place within the coconut industry.

There are many non-edible and non-cosmetic uses of Coconut as well which involve use of the husk, the shell, and including the wood of the trunk. Furniture derived from Coconut wood is well renowned for its quality and longevity and there is significant market demand for fibre derived from the Coconut husk.

Expanding Coconut production really lays the foundation for the Caribbean to propel itself into a thriving industry and investment in Coconut nurseries and commercial production will allow for such development to occur.

Why Caribbean

The Caribbean is an ideal production area given its climatic and environmental conditions, which are similar to that of the Pacific Region where the bulk of global coconut production abounds. The ecology of the coconut tree makes it well suited for the Caribbean and despite the Region’s vulnerability to tropical storms and hurricanes, the coconut tree physical characteristics allow for it to have a fair level of resilience. Countries such as Guyana and Suriname enjoy a competitive advantage having virtually zero risk with respect to tropical storms and hurricane, allowing for year long uninterrupted production.

The Caribbean Region is strengthened by its research and development capacity, having a regional agricultural research and development institute which has begun extensive work along the value chain for the coconut industry. Related are strategic partnerships and linkages to a number of international bodies in the area of coconuts, most notably from India and Mexico. The Region is well placed in accessing propagation material

from the Centro de Investigación Científica de Yucatán (CICY) in Mexico, the only place globally where micro-propagation of coconut planting material occurs. Coupled with the current interest and support by governments within the Caribbean, Coconuts is being deemed a priority commodity for the Caribbean Community (CARICOM).

Culturally, the peoples of the Caribbean have significant experience in the area of Coconut production and processing of Coconut oil. Additionally, product and process development is evolving along the value chain as the Region is moving forward into the area of technological solutions. This has allowed for the diversification away from traditional commodity products and outdated processes into new value added segments of the value chain, a shift from remaining at the basic production level and capturing higher value by targeting higher end markets.

The Region is well positioned in terms of access to the various

product markets with significant demand growth taking place within the industry . Regionally, there is a ready market for Coconuts so as to meet processing and consumption needs.

The Caribbean archipelago and the mainland countries, comprise a fair amount of land area, allowing for a wide distribution of production areas and the potential to greatly impact at a global level, the supply of coconuts on the world market. Additionally, virgin land abounds in areas such as Belize, Guyana and Suriname allowing for the possibility of certified organic production and the production of disease free coconut planting material, a much sought after commodity.

There exists significant acreages for rehabilitation and expansion/development arising from the fall of production due to the propaganda of negative health concerns regarding coconuts and especially coconut oil and its recent resurgence. Thus in every respect, the Caribbean is now the new frontier for Coconuts.

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Inside Story Headline

Strength	Weakness	Opportunity	Threats
Significant acreages for rehabilitation and expansion/development. Research and Development.	Culture of poor agricultural management practices.	Open Markets for FDI Concessions re movement of products intra-regionally	Pest and Disease Issues. Climate change and increased extreme weather events.
Strategic partnerships/linkages	Mass Propagation via Tissue Culture.	Health and nutrition benefits.	Other oil, milk and “sports drink” markets.
Current Government interest and support.	Access to capital.	Domestic and Overseas markets with increasing demand.	Evolving higher standards re-entry into overseas markets.



Organization

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**Improving lives through agricultural
research.**



Back Page Story Headline

To assist in your decision regarding investing in the Caribbean Coconut Industry, a couple of tools have been developed to guide and inform your decision.

The tools are freely given for you to input and experiment with parameters to gauge different scenarios regarding an idea with respect to investment.

These tools are for guidance only and any decision made based on the use of these tools are those of the user and they alone assume responsibility for the outcome of the decision made.

Feedback on these tools are welcomed as well as any related information which can help improve

the tools themselves or offer better insight into the investment climate.

As a final note, be guided that there are inherent risks in any investment decision to be made and what is required is the management in reducing risk to achieve a positive outcome. All the best in your endeavors.

[Demand Pull Projections - Coconut Production](#)

[Cost and Return of Coconut Production](#)