

Coconut For Life – A Corporate Social Responsibility Project for FSM

After more than two decades of declining copra production, the Federated States of Micronesia (FSM) is now making steady progress toward rehabilitating an industry that has the potential to become a core revenue earner for the federation.

In 2014, the Coconut Tree Act (P.L. 18-68) designated Vital FSM Petroleum Corporation (FSMPC) with the task of reviving and developing the coconut industry in FSM by increasing the trade in coconut tree products, as well as the processing, manufacturing, distribution and export of high value products.

The Coconut For Life project, aka C4Life, was born to spearhead this challenge and as a means to enhancing the quality of life throughout FSM. Its six development goals are based on the UN Sustainable Development Goals, which are geared to ending poverty and protecting the planet. The C4Life project's development goals cover industry and innovation, sustainable island communities, life on our islands, decent work and economic growth, responsible consumption, and affordable energy. They will steer Vital's efforts towards this enhancement of life.



The project includes the establishment of an Integrated Coconut Processing Facility (ICPF) based on the 'zero-waste' design philosophy. Additionally, the project includes the construction of an independent power plant (IPP) that will supply electricity to the island grid. The state-of-the-art ICPF has an initial processing target of 50 metric tonnes – or 46,000 whole, unhusked coconuts per day – and will be built in Ichimanton, on the island of Tonoas in Chuuk State. This facility will initially create 100 full-time equivalent jobs for Chuuk.

Additionally, the C4Life project will provide for the upgrade and expansion of the Coconut Development Unit (CDU) in Pohnpei. With the increased processing capacity of both of these two facilities, Vital FSMPC is targeting the introduction of 10,000 formal employment opportunities to coconut farmers throughout the four states of FSM.

Farmers will benefit by having a stable and continuous market for their resource and Vital is also supporting the establishment of organic certification, allowing farmers to gain even more benefit and possible high returns. If they want to sell a coconut, Vital will buy that coconut, every day of the week, 365 days a year. As a result, farmers for the first time will have a dependable and timely income throughout the year. This will open up other opportunities for farmers to access capital and micro-financing for home improvement or entrepreneurial growth. Communities or producer groups will have the opportunity to organise and plan for community development initiatives around the regular supply of coconuts.

Communities will also benefit from both the creation of formal and informal jobs as the [nation's](#) coconut industry [redevelops](#) over time. At a community-level, the aggregate income from regularised trade in coconuts and other agriculture products will allow communities to become less dependent on government and foreign aid, increase food security and enhance long-term opportunities for all sections of society, including youth. FSM as a whole will be able to better prepare for life beyond 2023 (end of US Compact Agreement), and add another key revenue earner for the nation, estimated to bring in over \$USD8 million per annum in export earnings within five years.

Vital believes that, with requisite capital, technical inputs and a clear united vision, it will be able to get the most out of an under-utilised resource. Vital is investing to significantly enhance the capacity for the buying, selling, exporting, manufacturing, processing, and distribution of copra and other products from the coconut tree in FSM.