

Market study – opportunities for the Pacific

CIDP has supported the development of a report *An overview of the market for Pacific Island coconut products and the ability of industries to respond*. The purpose of the report is to provide baseline information and an evidence-based rationale for selecting certain coconut products to be the focus of the development of value chain road maps by CIDP.

The Pacific Island Farmers' Association was contracted to develop the report, which was researched and drafted by Dr Andrew McGregor with Mark Sheedy. The report covers the four broad markets and core value chains for coconut products, briefly described below.



Coconut food, which predominately has involved oil traditionally extracted from copra (dried coconut kernel) but has increasingly involved virgin coconut oil (VCO) extracted directly from the kernel. Other coconut food products made directly from the kernel are coconut cream/milk and desiccated coconut.

- **Coconut oleo chemical**, which includes products such as soaps, personal care products and cosmetics. Both copra oil and VCO are used for these products. Over the last two decades, copra oil has also been increasingly used for bio fuel – although this has declined in recent years with falling petroleum prices.
- **Coconut water**, which includes the newly emerging 'sports drink' market. The coconut water market, until very recently, was relatively trivial compared with the food and oleo chemical markets for coconut products. The last few years has, however, seen rapid growth in coconut water consumption outside coconut producing countries. This has been driven by a processing technological change and consumer demand driven by health and well-being concerns.
- **Bi-products**, which include a range of products derived from the coconut husk, shell, timber and leaves and not directly from the coconut kernel.

The report investigates core global vegetable oil market developments since the turn of the century, including how coconut oil fits within the 'vegoil' complex. It also analyses coconut oil and copra as commodities in international trade, and reviews the performance of Pacific Island exporters. In light of these findings, the report goes on to evaluate possibilities for Pacific Island coconut producers in non-traditional products, such as virgin coconut oil, coconut water, coconut cream products and timber.

The report recommends that the Pacific coconut sector focus on VCO for local markets, high grade copra for export markets, cream products such as yoghurt and cream freeze, and timber veneer. The report will be published and launched in the near future.