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MARKETING TRENDS FOR COCONUT PRODUCTS IN SRI LANKA  
1950 - 1981

By

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ABSTRACT

The coconut industry occupies an extremely important position in the economy of Sri Lanka. Among the extraordinary number of products derived from the coconut palm, copra, coconut oil, fresh coconuts, desiccated coconut, coir and shell products have high economic significance both in local and export markets.

This study has examined some marketing trends in some component parts of the coconut industry. First, a descriptive analysis of the trends and fluctuations in production, processing, pricing and marketing of the major coconut products was undertaken using the national statistics for the country for the period 1950-1981. The aim was to examine major causes of the fluctuations to see which if any are amenable to policy changes. Parallel analysis has been undertaken of kernel products and the by-products.

In this study "naive" multivariate supply functions were used to account for annual fluctuations and longer trends in copra and coir fibre supply separately. The empirical results on copra supply show that a narrowing of the price ratio, between Colombo Retail Price of Fresh Coconuts and Average F.O.B. (Colombo) Price of Coconut Kernel Products would increase the copra supply. Extensive fertilizer distribution policy combined with improved irrigation or moisture retention practices has been highlighted as a strategy towards increasing the copra supply. However the implementation of such practices will depend to a great extent on ensuring that coconut producers obtain a remunerative price for their product.

Empirical results on coir fibre supply highlight the necessity of paying attention not only to increasing nominal money values, but also to increasing the real values of fibre products, compared to escalating import prices. The study reveals the necessity for higher attention to be paid for the coconut by-products sector which has been neglected over the past period.

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