

CHAPTER THREE

PROBLEMS AND SOLUTIONS

The problems confronting the coconut industry can be categorised under three headings :-

- (a) production
- (b) processing
- (c) marketing

PRODUCTION In the past years production of domestic coconut products in Malaya has fluctuated violently at least from the official figure, but there is a trend towards a downward decline. From the peak year in 1954 of 164,159 tons of copra production, plunged sharply down to 102,123 tons in 1955, and two years later rallied to 172,465 tons. After 1960 production has slipped to 133,625 tons with a clear sign of a subsequent and permanent decline.

NOT LUCRATIVE The reason for the decline in the production is that coconut is not longer considered as a lucrative crop by estates. It is an accepted fact gathered from the data given in table I, Chapter One, that there is a gradual decline of acreage of coconut cultivation in estates; and that the estates are switching to other profitable crops like oil palm. While the small holders prefer to replace with rubber. As reported, in the Department of Agriculture, Annual Report, 1960 that such tendency is very evident in the changeover to other crop is frequently carried out illegally in the major coconut growing areas.

Against this there had been only small increase in acreage brought about by coconut new planting or replanting of rubber land with coconut in 1961 as compared with 1,265 in 1960 and only 20 acres are replanted in the rubber land. (Figures are obtained from Annual Report of the Department of Agriculture 1961).

Hence if the present position continues it looks that the small holders may eventually be responsible for the entire production of copra. But we cannot expect much from this sector because this section is suffering from neglect and ageing. As a result, in term of quality and grade, that small holders yield of copra are of low standard than those in the estates.

POOR CONDITION IN SMALLHOLDINGS: Most of the smallholders neglect the conditions prevailing in their farms so much so that there is no proper care or management of the holdings. Most of the palms are old - past 30 years of age and are no longer considered as productive and economical to produce.

CAUSES OF FALLING COCONUT PRODUCTION: According to Mr. T. B. Wilson in his survey, he outlines three important causes of the fall in coconut production.

The first important factor causing the low productivity of coconut is ageing. Malaya has been described as an "area where ageing of trees is already recognised as a vital problem."¹ It was discovered in the survey conducted by Mr. T. B. Wilson, that most of the palms in Johore are about 50 to 60 years old.

The problem which is usually associated with ageing is debility. Poor growing conditions, bad drainage, lack of water control and neglect may cause the palm to have a "taps top" in its stem at the growing point. The seriousness of this occurrence may defer productivity since most of the debilitated palms may either die or bear no fruits and hence they "fail to justify the cost of nut harvesting."² Therefore, because of debility many coconut palms are unproductive irrespective of age and uneconomic to harvest.

The last important factor concerns the falling palm density per acre associated with high proportion of palm of low productivity. According to Mr. T. B. Wilson's survey there was an average of 35 palms per acre which is only about 3/4 of the recommended density of 48 palms per acre. But the palms are unevenly distributed over the small farm. The falling palm density is indeed a serious problem. Such causes of reduction are due to the "deteriorating agronomic and economic conditions."³ This is further aggravated by inadequate drainage system and poor growing conditions.

1. Some Aspect of Coconut situation F.A.O. 1956

2. T. B. Wilson op. cit. pg. 19

3. T. B. Wilson Op. cit. pg. 16.

ACREAGE AND YIELDS. The picture of how bad the industry from the view point of its acreage and yields are far from clear. The figure representing acreage and yields cannot be assess with great accuracy. From the official figure there were roughly about 636,855 acres of coconut in 1931 yet, one year later only 606,000. In 1947 the Department of Statistics made an estimate of 512,000 but dropped this to 485,000 acres 3 years later. But it is estimated now that there are 510,000 acres of coconut under cultivation (figure including estates and smallholdings).

According, to the agricultural leaflet No.41 on "The Coconut Palm", a mature healthy palm should produce in a year not less than 100 nuts which will yield up to 60 lbs. of copra. On well managed estate and smallholding, that the average yields of fresh nut are of roughly about 3,000 which can produce 10 to 12 pikuls of copra per acre annually. This can roughly gives a gross cash return of about \$350 - \$420 per acre per annum. But the majority of the smallholders do not achieve yield approaching these figures.

But according to the information supplied by the four state fields survey under the direction of Mr. Emmanuel Mutukuru, it was found that one palm in six fruitless, and in bad growing condition, it was averaged less than 15 nuts a palm. Thus the overall yields in smallholding turned out to be about 4 pikuls an acre, compared with 11 to 20 pikuls an acre on estate.

LOSSES The losses due to underproduction of coconut amounted to about 17 million a year in Johore alone as estimated in the survey. The group that is severely hit are the smallholders. Income of the smallholders were analysed and it was found that few were able to make a profit, but majority were making a loss. Such a heavy loss was due to the poor grade copra being produced by the smallholders. It was calculated that the returns on an average sized farm of $\frac{3}{4}$ acres gross about \$220 a year.

Out of this come many costs like harvesting, in which hired hands are employed for plucking and processing. Transport, maintenance and rent are other costs which may add up to \$300/-.

Hence, we cannot expect the average smallholders producing poor quality copra to cover costs of production. Yet every opportunity and encouragement are not given to provide incentive to the smallholders to improve the quality.

NEGLECT BY GOVERNMENT: The deteriorating situation of our coconut industry is largely due to the government for neglecting this sector of agriculture. In fact it can be said that no revolutionary changes have taken place in the nature of coconut production and other aspects of the industry. The government had completely neglected this industry in the past. It is worth, therefore, to substantiate the statement by quoting some figures provided in the Interim Review of Development in Malaya under the Second Five Years Plan December 1963.

In the First Five Years Plan 1956 - 1960, no expenditure was allotted for coconut Rehabilitation and Replanting. In the Second Five Years Plan, only \$1.5m were put aside for the project. But this sum was too meagre for such improvement, but the allocation seems to have lain idle. Later, the original target of \$1.5m was revised, by which the revised target now stands \$3.7m for the purpose of Rehabilitation and Replantation of coconut industry. The government gives no explanation as to the severance of the allocation of expenditure on the coconut industry.

REMEDY AND RECOMMENDATIONS TO OVERCOME THE PRODUCTION PROBLEM

The solution put forward below may not be complete, but may serve as a useful guide towards better production in our dying industry. What the coconut industry needs now is a 'shot in the arm' to bring its rewards in line with other agricultural crops. Some experts believe that implementation of organised coconut replanting and rehabilitation scheme will put the industry on equal footing with other agricultural crops like rubber and oil palm. It is estimated that cost of replanting coconut would entail higher costs than rubber and any coconut replanting scheme would require large subsidies per acre than those given under the Rubber (Replanting) Fund Board. Therefore in view of the high cost involved, replanting of coconuts on a large scale over the extensive area (especially on estates) will not be effective unless only selected seedlings from high yielding palm are used as planting materials.

RESEARCH AND EXTENSION: Additional attention must be given to research and extension work on coconut industry, in order to improve the quality of the crop, improving varieties and cultivation practices and developing seedling supplies, and to rehabilitate present coconut industry to a better and suitable land.

Apart from this the quality of copra obtained by smoke kiln is not usually satisfactory. Therefore it is essential also to improve the processing of smoking the copra, if possible, by modern scientific method, so as to achieve better grade and good quality copra.

INTERCROPPING:- Another line of approach towards solving the problem of production is by intercropping. Such means may be useful and applicable remedy to the smallholders. Crops like coffee, cocoa, nutmeg, clover, banana are considered as suitable crops to be planted in the coconut stands. It offers best prospects for profit to the smallholders.. But further research is necessary to determine best spacing, rotation, management and crops for different environment.

Thirdly it is indicated, that by this means smallholders may yield double income and therefore, be able to improve the yields of coconut palm from about 4 pikuls an acre to ten pikuls.