

CHAPTER FOUR
THE DECLINE OF THE COCONUT INDUSTRY

The facts presented in the previous chapter has proved beyond doubt that the coconut industry is a significant industry in Malaya. Since it is an important industry, the health of the industry must be of concern to both the Government and economists. This chapter attempts to examine the direction the industry has been heading to.

Coconut acreage Trend

One way to indicate the health of the industry is to examine the trend of acreage under coconut. A healthy and progressive agricultural industry, would under normal circumstances, shows an increase in acreage while a stagnant or declining industry would exhibit a reduction in acreage. Table 12 shows that the acreage under coconut farms has remained almost constant, indicating that in terms of acreage, the industry is stagnant.

The total acreage under coconut farm is only an approximation. However, the acreage under estates is fairly accurate and this is shown in Table 11. The drop in acreage under estates is due primary to the replacing of coconut palms by oil palms¹.

TABLE 11
TOTAL ACREAGE UNDER ESTATES

Year	Acres
1957	86,000
1958	83,775
1959	82,637
1960	80,554
1961	80,000
1962	78,000

Source: United Planting Association of Malaya, 1958, 1960 and 1963 Annual Reports, p.41, p.38 respectively.

1. United Planting Association of Malaya, 1963 Annual Report, p.41.

Table 12 shows that between 1947 and 1959, rubber acreage rose by 44,000 acres, and increase of 2%. This rate of increase in acreage can be considered spectacular, in view of the fact that rubber policy has emphasized replanting rather than new planting. Such an emphasis on replanting of existing rubber farms can be seen by the Government subsidized Replanting Scheme. Between 1955 and 1957, some 237,247 acres² of estates were replanted and during 1953-59, some 326,296 acres³ of smallholdings were replanted. Such an achievement in rubber replanting is, indeed, one of the greatest achievement of the Government.

During the same period, rice acreage rose by 1.2% as the result of the drive towards rice-sufficiency by the Government. The acreage under oil-palm rose by 50% as it is a crop which has a bright future.

In the case of the coconut industry, the acreage under coconut farms has remained almost constant. This points to the fact that in terms of acreage, the industry is stagnant.

TABLE 12
CULTIVATED AREA UNDER CROPS IN MALAYA
(in thousand acres)

Item	1947	1958	1959 ⁺
Rubber	3,434	3,481	3,500
Rice	814	909	924
Coconut	512	518	518
Oil palm	78	122	127
Other Crops	393	450	500

+ estimated

Source: Federation of Malaya, 1961 Official Year Book, Table 22 p.466.

2. Chong Wee Chee, The Replanting Programme for Estates, Ekonomi, Vol.1, No.1.
3. Kwan Kwong Seong, The Smallholders' Replanting Schemes, Ekonomi, Vol. 1, No. 1, 1960, p.82

Employment Trend

The second indicator of the health of the industry is the employment trend, i.e., the changes in the number of people employed in the industry. Under normal circumstances, the increase in the number people employed in an industry indicates its progress while reduction in employment figures shows a stagnant or declining industry.

Table 13 shows that employment in rubber industry rose by 20% and oil palm by 18% between 1957 and 1959. But the employment figures for the coconut industry for the same period has remained almost constant. Therefore, in terms of employment, the coconut industry is stagnant.

TABLE 13
AGRICULTURAL EMPLOYMENT
(in persons)

Crops	1957	1959
Rubber	509,436	614,487
Rice	470,692	398,295
Coconut, Copra etc.	39,519	39,739
Palm Oil	11,158	13,221

Source: Lee Ming Chong, op. cit., Table 3, p.37

Nut Production Trend

The third indicator of the health of the coconut industry is the nut production trend, i.e. changes in nut production. The nut production reflects the nut-bearing ability of the palms. Data on the total nut output of the entire industry are not available but there is information on total nut production on estates. Table 14 shows that nut production of the estate sector of the industry is gradually declining. The decline in nut output on estates is due primarily to reduction in acreage under estates⁴. This indicates that in terms of nut production, the

4. United Planting Association of Malaya, 1958, 1960 and 1963 Annual Reports, p. 41, p.38 and p. 33 respectively.

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estate sector of the industry is stagnant but not declining.

TABLE 14
NUT PRODUCTION ON ESTATES
(in million nuts)

Year	No. of nuts
1955	199
1958	176
1961	174
1963	169

Source: United Planting Association of Malaya, 1961 Annual Report, p.39.

Copra Production Trend

The fourth indicator of the health of the industry is the copra production trend, i.e. changes in copra output. The copra output reflects not only the nut-bearing capability of the palms but also the quality of the harvested nuts. According to Table 15, copra production on both estates and smallholdings has decline. This indicates that if the industry is not declining, at least it is stagnant.

TABLE 15
COPRA PRODUCTION
(in piculs)

Year	Estates	Smallholdings
1960	580,625	2,367,070
1961	570,007	2,145,545
1963	553,241	1,682,570

Source: United Planting Association of Malaya, 1963 and 1960 Annual Reports p. 41 and p. 38 respectively.

SUMMARY

The foregoing pages has shown beyond reasonable doubt that if the coconut industry is not actually declining, at lease the industry is stagnant. Facts have pointed to the conclusion that the industry is gratually declining.