

CHAPTER VI

C O N C L U S I O N

The coconut oil milling industry is one of the more important secondary industries in the country and has made rapid progress in recent years. From being an exporter of copra, Malaya is now a net importer and in the world exports of coconut oil, she was second in importance after Ceylon in 1953 and first in 1954 with a share of 27% (more than 80,000 tons) of the total as against 11% (40,500 tons) in 1934-38.

However, the bulk of the oil exported from Malaya is crude and is either used in soap making, or, is refined and then turned into margarine. The ideal condition would be for this country to manufacture the finished articles. One great help to this end would be the removal of import duties by the Federation for goods manufactured in the free Malayan ports of Penang or Singapore.

The great problem to-day is to get sufficient copra for the mills. The copra exporting countries are developing rapidly their own oil extraction industries and Malaya must depend less on these countries and develop her own resources of copra to the full extent. By doing so, not only will the industry be helped but also a large number of small-holders

whose livelihood is directly affected by the price of copra. Development of the oil crushing industry will ensure greater stability of copra prices to the small holder for it is always precarious to export the raw material to very limited markets which have a strong favour for the unprocessed product.

To increase copra supplies, Government has to take steps to improve the neglected coconut industry. The acreage under coconut is decreasing and a large number of palms are old and bear only a limited number of fruits. This is mainly the result of the low level of prices received by the small holders for their product. Their low incomes give them little incentive to improve the yield of the holdings by the use of manure or proper drainage. The Department of Agriculture should supply selected seedlings and a plan be drawn up to replant the old and poor yielding areas with these vigorous seedlings.

At present the small holder only gets a little more than half of the money his product will finally fetch if it had been well prepared. This is mainly due to the very poor marketing arrangements that exist. Little attention is paid to the production of high grade copra. The nuts are harvested when they are still immature and the copra is sold before it is sufficiently dry either because of the small holder's shortage of money or his ignorance, for he believes

that as he is paid by weight, the moist copra will be an advantage. Efficient drying kilns are to be made available for the small holder and he must be taught the proper technique of making high grade copra.

Help to the Small Mills:

The great drawback of the small firms is their poor standards of organization and technique. Government might organise a technological service which will slowly improve the industrial and managerial organization of these firms. Special credit institutions should be set up to make available the necessary credit to rehabilitate the industry.

Improving Statistics:

Very little statistics is published or available on local consumption and production of coconut oil, output of various mills, and their costs of production etc. All these are necessary to form a balanced appreciation of the problems facing the industry. The Government would require this information before it could make policy decisions on imports of foreign copra, export duties and marketing questions. It is hoped that the various mills will co-operate and furnish the required data; only then can Government do something for the industry by improving technique and the organization of the firms.

Research:

The Ceylon Government has launched a campaign that

has reduced the free fatty acid content of the oil from 3% in 1930, to 1.5% in 1938 and to 0.5% at present. The Malayan oil millers are still producing large quantities of crude oil and they have something to learn from Ceylon.

Regular exchange of information on research carried out in the various countries would be useful. The first International Coconut Conference was held in Manila in 1955 and another will take place in Ceylon this year. This opens up the possibilities of international co-operation in the field of research and it would be advantageous if a scheme is drawn up to solve problems common to most countries for this would avoid duplication of efforts in these lands which can hardly afford elaborate research expenditure.