

PHILIPPINE COCONUT AUTHORITY
Annual Accomplishment Report
CY 2010

The year 2010 was pivotal for the coconut sector with the inauguration mid year of President Benigno S. Aquino III. The continuous nurturing of the coconut industry was made via key intervention measures in the form of production support, market development, extension, regulatory services, institution building and R&D, among others. Ultimate objective of said programs is to ensure supply for the domestic and international markets and providing jobs and farm level income.

Millgate price increased to a higher level in 2010, with an average of Php28.28 per kilogram from the Php20.05 in the preceding year. Preliminary estimate of coconut export volume for 2010 is estimated at 2.358 MMT with foreign exchange value of US\$1.604 Billion compared to the 1.515 MMT with forex value of US\$884.0 Million in 2009. Coconut oil export in commodity terms for 2010 is estimated at 1.360 MMT with a value of US\$1.245 Billion compared to CNO exports of 826,237 MT in 2009 with a value of US\$588.0 Million. Price of CNO in 2010 increased by 29% to an average of US\$915.75 per MT from the US\$711.68 per MT in 2009.

Coconut production for 2010 is envisioned to reach 3.0 MMT compared to the 2.772 MMT in 2009.

Major highlights of accomplishment during the year as follows:

1. Development of New Lands for Agribusiness (Goal 1)

1.1 Coconut Planting/Replanting

Aimed at addressing the decline in production and productivity due to massive cutting, land conversion and palm senility, a total of 34,051 hectares were planted/replanted. Number of jobs generated amounted to 33,692 jobs.

1.2 Intercropping

Designed to augment income of farmer-cooperators through the planting of suitable intercrops in spaces under coconut, this component involved a total area intercropped of 48,088 hectares with number of jobs generated reaching 49,953.

1.3 Rehabilitation by Fertilization

With the objective of improving soil nutrition in coconut farms, this component included 65,106 hectares fertilized with number of jobs generated totaling 64,954 jobs.

2. National Coconut Productivity Program (NCP)

2.1 Salt Fertilization Project (SFP)

Under Batch 2 of SFP, 185,173 bags applied over 46,287 hectares with beneficiaries reaching 46,210. Batch 3 & 4 resulted in 257,006 bags applied over 64,185 hectares and benefiting 54,351 farmers. Batch 5 resulted in 52,500 bags applied over 13,130 hectares benefiting 11,890 farmers. Batch 6 resulted in 294,369 bags applied over 73,011 hectares benefiting 72,335. Batch 7 resulted in 106,732 bags applied over 26,646 hectares benefiting 26,145 and Batch 8 resulting in 37,942 bags applied over 9,486 hectares benefiting 8,268 farmers. Total number of bags applied and beneficiaries in 2010 amounted to 933,732 and 219,199 respectively, covering a total area of 232,745 hectares.

1.2 Participatory Coconut Planting Project (PCPP)

During the year, 4,502,325 seedlings were sown with 2,655,857 seedlings produced. Number of beneficiaries amounted to 31,052 coconut farmers.

3. Seednut Production (PCA Seedgardens)

During the period in review, 1,142,288 seednuts produced.

4. Accelerated Hunger Mitigation Program (Intercropping Projects)

For the year, 52,620 hectares intercropped and generating 53,624 jobs.

5. Coconut Corn – Intercropping Project

A total of 7,357 hectares intercropped with 9,033 beneficiaries for the year.

6. RA 8048 Implementation

During the year, 6,923 permits issued with 138,193 trees cut.

7. Institution Development Project

- 657 CFOs assisted with 40,780 members.
- 144 Cooperatives assisted with 17,063 members.

5. Market Development Services

- Registration of 3,901 traders, 74 processors/exporters/oil millers and 2,579 coco lumber dealers/processors.

6. Research and Development

- Ongoing are 9 studies on varietal improvement, 8 on crop agronomy, nutrition and farming system (CANFARMS), 10 on integrated crop protection and 8 on product development.
- Laboratory services included the analysis of 1,142 plant tissue samples and 767 samples (adjusted figure) for export and referential purposes.

Other PCA R&D accomplishment highlights include the following:

Albay Research Center

- Clones were already generated from the inflorescence tissue using improved protocol.
- Refined protocols to micropropagate Makapuno via somatic embryogenesis.
- About 3.2% of the total plumules have been initiated that regenerated 193 clonal Makapuno plantlets with 117 surviving clones being hardened in the laboratory.
- For the Brontispa Control Project: a) mass production and release of an estimated 20,000 parasitoids and earwigs in infested areas were conducted; b) established 3 rearing laboratories in Palawan.
- Produced and distributed to farmers 1000 kilos of Green Muscardine Fungus (GMF) as biocontrol agent against rhinoceros beetle.
- An estimated 11,710 Makapuno embryos were cultured and produced 12,030 embryo cultured Makapuno seedlings.
- Cultured 834 embryos from dwarf-Makapuno hybrids and produced 864 embryo cultured dwarf-Makapuno seedlings.

Davao Research Center

- Field trials using Nitrogen, Potassium, zinc and multinutrient fertilizer in coconut-durian cropping system proved to be beneficial to both crops.
- Fertilizer using a combination of inorganic (CocoGro) and organic fertilizer (chicken dung) resulted in early flowering and 25% increase in fruiting.
- Identified two entomopathogens and a parasitoid for biological control of Brontispa.
- Mass production and distribution of biocontrol agents to farmers and extension workers.
- Commercial production of 4,268 embryo cultured Makapuno seedlings.

Zamboaga Research Center

- Field planted Tutupoen Tall variety, the 263rd coconut accession.
- A 20-hectare SynVar seedfarm as seed source was established at the Center.
- Designed and fabricated a mobile decorticating machine with rotating screen tested in an Agrarian Reform Community.
- Completed the project “Accelerated development of coconut synthetic variety and isolation of superior breeding populations fro coconut seedfarm establishment using microsatellite/QTL markers and won 2nd place at the National Symposium for Agriculture and Natural Resources Research and Development.

Product Development

- Formulated coconut water beverage with high electrolyte and low glycemic index.
- Training on confectionary and technology commercialization of coconut-based products at community level.
- Microbial analysis of 1,257 samples (DCN, VCO, RBD, food products, etc.); chemical analysis of 1,286 samples and 101 samples for aflatoxin with total fees collected amounting to Php981,280.00.

Agricultural Research Management

- Prepared field notes on Philippine Coconut Industry Production and Productivity Trends and the Potential to Increase Efficiency Level of Current Coconut Lands.
- Presented a paper on Challenges of Climate Change entitled: Coconut-Based Farming System, a Potential Carbon Sink.
- Organized the 2010 PCA Planning Workshop and KAANIB Inception meeting.
- Organized and coordinated the First National Coconut Industry Summit.
- Produced 2,430 flyers and distributed to 63 industry stakeholders.
- Published one paper in CORD (International Journal on Coconut R&D) Vol. 26, 2010
- Spearheaded the preparation of the first draft of the Coconut Industry Roadmap
- Analyzed 1,142 plant tissue samples and 767 soil samples for referential purposes.
- Served 99 stakeholders for laboratory analysis.

Vital Impact on the Economy

The year 2010 exhibited an increase in overall coconut product exports. Coconut exports in commodity terms increased by 56% from 1.515 MMT in 2009 to 2.358 MMT in 2010. Foreign exchange earnings registered at US\$1.604 Billion in 2010 from the US\$884.0 Million in 2009.

Millgate price per kilo of copra in 2010 stood at Php28.85, an increase of 44% from last year's level of Php20.05. Copra farmgate price for 2010 was Php20.16, an increase of 20% from 2009's price of Php14.48.

Exports in 2010 grew in volume and value terms due to the improved global demand and prices. It also helped that coconut trees did not suffer sudden production drop brought about by extreme dry weather conditions in the early part of the year.

Coconut exports are among the top agri-export earners of the country with more than 20 million Filipinos dependent on planting, replanting and harvesting of coconuts.

Supply issues persist as million of ageing coconut trees started showing the effect of drought in early 2010 due to El Nino cycle. To improve production, the PCA has two (2) major projects: (1) Participatory Coconut Planting Project (PCPP) and (2) Salt Fertilization Project (SFP). PCPP aims to implement massive coconut planting of high yielding varieties (HYV) nationwide while the SFP aims to boost coconut production to cope with expanding demands for coconut products and by-products in the domestic and global markets.