



Yummy Coconut Products Growing Demand in US Markets

Remany Gopalakrishnan

CEO, Onattukara Coconut Producer Company Ltd, Kattanam, Alappuzha, Kerala

There has been a constant demand for food items from the world over, considering the incessant increase in population. Coconut, a magical fruit, which provides food security, has therefore, assumes growing significance and is on the increasing demand globally. This growing significance of coconut is not only as a food crop but also as a multiple provider of a variety of products and by products like oil, milk, cream, water, fibre, shell and many more. Diversified applications of coconut products in pharmaceutical, nutraceutical and cosmaceutical segments drive the demand on a wider scale. There is a growing acceptance for the existing and emerging coconut-derivatives which have impacted the markets positively. Rising application of coconut oil and milk in a variety of products is anticipated to further fuel the overall market. Besides, newer coconut products are introduced at a faster rate around the world to make products more competitive. Increasing awareness on the benefits associated with the products coupled

India has the potential to send novel coconut products to different market destinations as a major market player. The country can compete with other major producers in products supply. Many small and medium industrial units are manufacturing competitive quality coconut products which can be exported after identifying the markets.



with growing demand from major developed countries such as Europe and North America is expected to drive the demand. These products have therapeutic properties which are made use of in the development of health care, body care and beauty care products. The food and beverage and cosmetic industry are attempting more R&D efforts to harness full benefits of coconut to enhance their product range. Indonesia, Philippines, India, Sri Lanka, Brazil, and Vietnam are the major producers of coconut. These countries are also the major suppliers to US and Europe. Philippines and Indonesia are the major producers and exporters of coconut oil. United States is one of the major importers of coconut oil owing to its high domestic demand.

This article portrays the experience of the author on her visit to some of the US markets, before the onset of COVID-19. Her long service in the Coconut Development Board, Government of India and the present assignment

as the CEO of Onattukara Coconut Producer Company, Alappuzha District, Kerala, rekindling its interest in coconut market. Onattukara Company is a Farmer Producer Organization (FPO) formed under the initiative of Coconut Development Board, Government of India. The Company manufacture quality coconut oil along with many other value added products viz., urukku velichenna (Oil from coconut milk), desiccated coconut powder, coconut chutney, coconut cookies, chips, ginger mix, stew mix, squash, coconut pickles etc. and marketed in Onattukara brand.

Coconut in US Markets

The food products shelves in the chain markets in Dallas, Houston and Austin in the State of Texas are full of coconut products and ready to eat coconut dishes from various countries. The display of variety of coconut products in a country like America was an overwhelming experience for a coconut loving visitor from India. Coconut in different forms, ie.,



whole dehusked coconut, coconut oil, virgin coconut oil, coconut milk, milk powder, tender coconut water, frozen gratings and pieces, variety of coconut based food preparations, confectioneries, and coir fibre products are the wide range of products list. This multiple product scope explicit the vast potential of coconut in international markets. This state of affair offers immense opportunities to Indian coconut farmers.

Dehusked whole coconut, grated coconut, frozen fresh slices, partially dried coconut chips etc. serve the purpose of fresh coconut. Whole coconuts are



also sold out to cater to the need of offerings and puja purposes, besides fresh nut use. Coconut oil of various brands from Kerala, Sri Lanka, Thailand, Vietnam etc packed in wide mouth bottles are targeted for consumers using coconut oil for edible purpose. Since coconut oil solidifies below 23-24°C temperature, wide mouth bottles are preferred in USA. Many brands viz., Vita Coco coconut oil, Viva coconut oil, nutiva coconut oil and different brands of coconut oil in spray bottle share the shelves with Kerala's brands, KPL Sudhi, KLF Nirmal, Coconad etc.

Frozen grated coconut from Kerala meets the lions' share

of fresh nut requirement of Malayalee population. Besides, Sri Lankan and Thai coconut oil and grated coconut are also available in plenty. Coconut milk too, serves the purpose of fresh nut use in culinary purposes and confectioneries. Coconut milk is widely used in cosmetic and food & beverage industries. It is also widely used as an effective alternative to dairy products. It has become increasingly popular, owing to its high nutrient content and is likely to witness high growth in the future. Desiccated coconut is used as a substitute for grated coconut in various food preparations and baked food. Virgin coconut oil a product that made market entry initially from Thailand and Philippines has now on strong footing in international markets. Its application segments are diverse and immense. VCO has wider use in pharmaceuticals, cosmaceuticals, neutraceuticals.

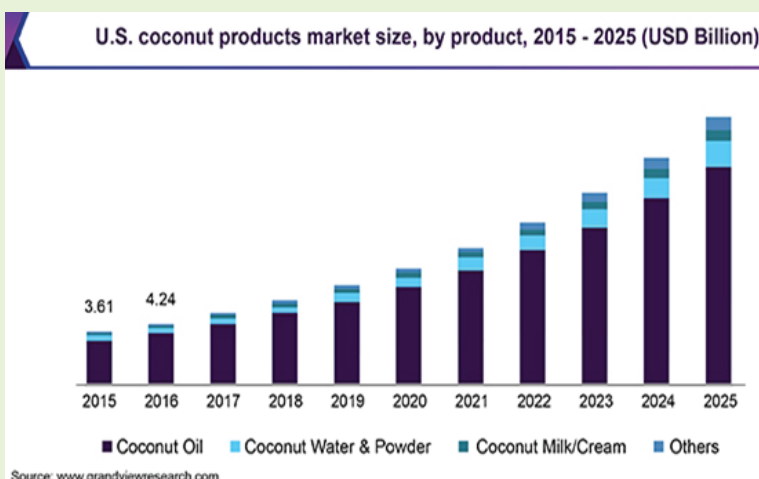
Tender coconut water is packed in cans and in tetra packs. The demand for coconut water as a natural energy drink is growing rapidly due to its nutritional

properties such as electrolytes and nutrients. Thailand's product is the pioneer in this sector. India has also made entry in this sector. According to @Technavio, one of the most influential market research and advisory firm, the Coconut Water Market in US will grow by \$ 2.19 billion during 2020-2024 and the packaged coconut water market size has the potential to grow by USD 3.88 billion during the same period.

Beauty care products are hitting the cosmaceutical market. The benefits of coconut oil for hair and skin is widely used in a range of cosmetic and personal care products such as hair oils and soaps. Apart from lauric and myristic acid in coconut oil, many other fatty acids like capric, caprylic, palmitic, stearic, oleic, and caproic are used in beauty care products. The rise in demand for coconut oil in the cosmetics industry is likely to drive the market for coconut products globally. Coir products have already acclaimed acceptance as natural biodegradable products. It is the raw material for geotextiles and

A market study on global coconut products elucidates the growing demand for coconut products due to its diverse applications in various existing and emerging utility sectors. The Global products market was classified into coconut oil, coconut water, desiccated coconut powder, coconut milk/cream and others. According to the study the global coconut products market size was estimated at USD 30.38 billion in 2018 and is expected to register a CAGR of 17.8% during 2015-2025. (Source: Grandview Research Inc.). Coconut oil and virgin coconut oil are beneficial for skin and hair and this drives the

demand from personal care and beauty care applications. Similarly, coconut milk is gaining popularity as an alternative to dairy milk, especially among vegan population. Other derivatives like coconut water, sugar, and desiccated coconut powder are gaining popularity due to the health benefits associated with them. Coconut water is gaining popularity as energy drink due to its natural hydrating properties. Desiccated coconut is used widely in bakery items, vinegar in food industry as a healthier alternative to synthetic vinegar as a preservative or flavoring agent. Products like coir is also expected to witness increased demand due to their diverse applications in geotextiles due to its impressive durability and absorbent characteristics and eco friendliness. Such diverse uses of coconut products are anticipated to further fuel the demand from countries like Europe and US in the forthcoming years. Increasing consumer awareness about these applications is expected to fuel the overall growth.



has attained popularity as a medium in horticulture and floriculture. Coir is widely used for making ropes, floor mats, brushes, doormats, and mattresses. All these diverse uses open new vistas to Indian coconut sector. The opportunities that are opening up to our farmers are immense. Whole sale merchants-cum-exporters and retailers from Kerala who made their presence are Parayil Exports (Daily Delight), Nilamel Foods, Eastern, Brahmins, Mezhukkattil, KLF, KPL etc. Products from Sri Lanka, Thailand, Indonesia, Philippines, and India and Vietnam find prominent places. Kerala dominate in the Indian products supply especially in frozen ready to eat food items.

Keralites relish coconut cuisines than any other food items. In their veg and non-veg dishes different forms of coconut form the major ingredient. Fresh grated coconut or coconut milk adds more taste to most of the breakfast items and their side dishes. Their popular non-veg dishes like fish curry, fish biriyani, beef coconut fry, mutton stew, mutton biriyani, etc find place in all the food shelves of the super markets and are sold out as hot cakes as gathered from their bill desk. The taste and affinity of Vegan food have also been catered to in different

ways. All preferred and traditional vegetables like banana spadix, tender jack fruit, jack fruit seed, variety of leafy vegetables etc are cooked in coconut and packed frozen as ready to use dishes. Gravy dishes like aviyal (cooked mixed vegetables in fresh coconut) onion and bitter guard theeyal (A dish in fried coconut and spices) are common. Among the confectioneries, chocolates, cookies, candies, sweet and hot dried fruits-mix, and toffees made out of coconut powder, desiccated coconut or coconut milk as major ingredients are lip-smacking.

We cannot imagine a growing demand or sale of these varietal food items in US markets, if their quality is inferior. Organic is the most attractive GSP in international markets. Chemicals and pesticides free products are placed at top priority. Products without organic label are difficult to get entry into super/ hyper markets. Organic products are fetching premium price and have niche markets. People all over the world are conscious on pesticides and chemicals residue. Organic foods have a significantly high rate of growth in demand over the conventional foods. These foods compounds with biologically active components under different names pharma



In this COVID-19 era, immunity boosting is the health tip. The lauric acid in the coconut oil is a factor which contributes immunity to human body and strengthens the defensive mechanism. Lauric acid content in human breast milk imparts nourishing and protecting care to babies. Similarly coconut oil rich in lauric acid play a vital role in building our immune system by getting converted it into monolaurin. Coconut represents saturated fat consisting of medium chain fatty acids (MCFAs). Scientists have recognized MCFAs for their anti bacterial and anti viral properties. The lauric acid and capric acid are MCFAs and are immediately absorbed in the body instead of storing them as fat. The latest edition of Journal of Association of Physicians (JAPI) has carried a review on immunomodulation benefits and antimicrobial ability of coconut oil which revealed that saturated fatty acids are the right source of fats needed for the body's metabolism. Coconut oil can therefore form the ingredient of many health products which can fight against bacteria and virus.

foods, phyto foods, therapeutic foods etc are believed to have salutary impact on improving health and wellness. Marketing networks like Costco, B-Mart, Grand Mart, Giant, Shoppers, HEB, Shoprite, Well Mart, Wall Mart, San club - all are actively engaged in sale of coconut products. The number of coconut consuming population is increasing and therefore the potential is huge and our farmers should be equipped to take advantage of the same. Though COVID-19 calamity might have shaken the US markets in a serious manner, a country like America is believed to have the potential to come out of the shock within a shortspan of time.

India Equipped for capturing International Markets

India is capable of sending more and more products into the international markets. The Coconut Development Board under the Ministry of Agriculture, Government of India had made maiden efforts in this direction. The concerted efforts and initiatives of Coconut Development Board fueled the development of innovative products. Product diversification and byproduct utilization has made strong footing in the country in the last two decades. Until then coconut was utilized as the main commercial source of coconut oil besides domestic consumption. Only a small fraction was utilized for processing and value addition. The price of coconut was mainly dictated by the price of coconut oil.

In 1990s, the declining and fluctuating price of coconut oil compelled the policy makers to introduce a shift in the hitherto followed utilization pattern of coconut. It was necessitated to focus on product diversification and byproduct utilization of coconut. Coconut Development Board established a

Technology Development Centre (TDC) as a first step and a line of products were developed. Packaged tender coconut water, Coconut cream, spray dried coconut milk powder, coconut chips, vinegar, nata de-coco, neera and its downstream products are a few among the lot. Thus the message of products development and setting up of coconut based industries got popularized. Schemes for assisting the entrepreneurs technically and financially were drawn up and introduced by the Board. This gave an impetus to the coconut sector and a variety of coconut based industrial units cropped up across the southern states where coconut is available in plenty. This changed scenario had rewritten the destiny of coconut sector and the price of coconut and its products started moving up and stabilized. Indian coconut farmers are now getting better price than their counterparts in other major growing countries. The TDC has now grown up into CDB Institute of Technology (CIT) with NABL accredited Laboratory.

Now India has the potential to send novel products to different market destinations as a major market player. The country can compete with other major producers in products supply. Many small and medium industrial units are manufacturing competitive quality products which can be exported after identifying the markets. Expansion of organized retailing has been instrumental in driving the growth of the market. That is also happening in the country. Thus there is tremendous scope for our products and the sector is expected to grow leaps and bounds in a short span of time. Coconut ensures livelihood security, food security, social security, health security and nutritional security to human beings. Coconut will continue to serve the humanity to cater to all these needs. ■