

# EXPORTING COCONUTS

from the  
Pacific  
Islands  
to Australia

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Pacific Islands  
Trade & Invest



## INTRODUCTION

This fact-sheet is designed to give Pacific Island suppliers of coconut an overview of the Australian market and some of what is required of exporters.

PT&I urges anyone interested in exporting to first check with the relevant local authority, government department or agency in their country about licensing and other regulations before contacting Australian importers or undertaking any export planning.

All exporters should be aware that product quality, consistency, a reliable supply and the development of a relationship with buyers are important factors that contribute to success.

## ABOUT US

Pacific Islands Trade & Invest is the international trade and investment promotion agency of the Pacific Islands Forum Secretariat, which is based in Fiji.

With offices in Auckland, Beijing, Sydney, Tokyo and Geneva we are the only Pacific Islands agency entrusted by the Pacific leaders to develop, grow and promote businesses in the region. We do this by focusing on four key areas including: export, investment, tourism promotion and creative arts.

With the aim to improve the livelihoods of people in the Pacific Islands, we work with the private sector to build a better future through more sustainable communities and greater prosperity.

## THE AUSTRALIAN COCONUT MARKET

Australia has no commercial cultivation of coconuts and accordingly, all coconut and derivative products are imported from Asia and the Pacific islands.

The markets for coconut products in Australia:

1. Activated carbon
2. Refined, Bleached or Deodorised Coconut oil
3. Desiccated Coconut
4. Copra
5. Fresh mature coconuts
- 6 Crude coconut oil
7. Canned or UHT coconut cream/milk for consumer and restaurant sectors
8. Coir matting for building and furnishing uses

More information on each of these markets is provided (right).



## AUSTRALIAN MARKET TRENDS

In 2008, A\$ 29.94 mill of coconut oil, both crude and RBD was imported into Australia. The big oil importers have long standing suppliers that satisfy end user quality assurance levels, the coconut oil market trends population growth and is substantial. There is a high level of substitution between palm and coconut oil as well as other vegetable oils. Major crude sources were Fiji and Asian suppliers, particularly Malaysia, have recently dominated as RBD suppliers

The Australian market for activated carbon was 7500 tonnes in 2008, of which coconut activated carbon is estimated at 1500 tonnes. While Europe has traditionally dominated the Activated Carbon sector, Asian countries now have about 1/6 of the Australian market, worth A\$ 17.3 mill in 2008. There are no Pacific Island suppliers of Activated Carbon. Industry sources indicate that for an activated carbon plant to be economic, they need envisage production of 2,000 tonnes annually.

Coconut Cream/milk is showing growth, roughly tracking Asian and Pacific immigration (from coconut cream using markets) and Thai restaurant growth. With no Government statistics available, annual demand is estimated to be about 12 million 400 ml cans/UHT (300 FCL containers). The market is split roughly equally between supermarket, food service and specialty food wholesalers/stores.

Desiccated coconut sales are primarily to the confectionery and bakery industry with small quantities being bulk purchased and repacked for retail sale. In 2008, the ABS landed price value was A\$ 15.13 mill, all from Asian markets.

Pacific island exports dominate the 14,000 tonne Copra solid residue/meal stock feed segment, valued at A\$ 4.8 mill in 2008. PNG, Kiribati and Vanuatu are the largest exporters of solid residue copra, achieving an average price of A\$ 0.22 c per kg.

Fresh coconuts imports are valued at A\$ 1.9 mill annually and are sourced from Asia (Thailand the major supplier) with Samoa and Tonga being significant suppliers. Since 1995, the kg price has risen from A\$ 0.43 to A\$ 0.69 in 2008 but is a small segment that is quite heavily contested with 8 current suppliers.

Coir matting and cocopeat imports are valued at less than A\$1 mill and sourced predominantly from Asian markets.

Currently there is very little demand for coconut timber and extruded "charcoaled" briquettes.

## ACTIVATED CARBON

Activated carbon is dominated by Western country HVA solution providers such as Norit, Calgon, Kuraray, Meadwestvaco, CECA, Hayleys, Veolia etc

There are currently no Pacific Island suppliers of Carbon to the Australian market.

Some specialist grades of activated carbon are imported from European, US and Japanese suppliers, but the main competition to new Pacific Island suppliers of coconut shell activated carbon will come from Asian suppliers such as Sri Lanka, China, Philippines and Malaysia.

Used for gold mining, water filtration, beverage manufacture, gas filtration, medical, sewage treatment.

## COPRA MEAL

Copra meal is used as a feed supplement mainly for beef and dairy cattle. It is also used for sheep and horses (there is growing utilisation by the racehorse industry) and in smaller quantities as a chicken or pig feed supplement.

This product has a very low price per kg compared to other coconut products.

A 2009 closure of a copra processing plant in PNG correlates with depressed world prices.

## FRESH

Fresh mature coconuts (dehusked), are often sold as a novelty fruit/drink through major supermarket chains.

## REFINED / BLEACHED / DEODORISED (RBD)

There is a bigger market for Refined/Bleached/Deodorised (RBD) than for crude. Differing grades are used in industrial, food processing, cosmetics and toiletries. There is a boutique market for extra virgin or coconut oil.

In imported quantity terms, RBD oil imports have increased from a modest 1698 tonnes in 1995 to 9996 tonnes in 2008. RBD import quantities are less volatile year on year, having been between 8700 and 10,000 tonnes annually in the last 4 years.

### *A special note on Activated Carbon*

While the most noticeable coconut product in Australia is milk/cream, (commonly sold through supermarkets and specialty food stores), the demand for activated carbon and coconut oil is substantial. Major coconut oil users such as Unilever and Meadow Lea centralise purchasing, often outside Australia.

With global warming/sustainable development and other environmental drivers, the market for activated carbon may offer opportunities to dedicated niche players. In addition, it appears to offer the highest export price per kg.

Activated Carbon has many uses, environmental, medical, fuel storage, gas purification, and beverage distillation. It is also sometimes used to trap mercury emissions from coal fired power stations.



## IMPORTERS AND DISTRIBUTORS

Generally, Pacific Island exporters will need to find an importer who performs Customs and Quarantine clearance as well as transport and storage functions.

It is important that this importer also has a network of secondary (wholesalers) and tertiary (retailer) buyers that distribute the product so that end users can purchase the product.

Your requirements for distribution will vary according to the product you intend to exporting:

### **Activated carbon.**

In general, manufacturing, importation, distribution and marketing are integrated. Apart from the gold mining and water filtration industry, many other end users (medical, air purification, mfg industry), are quite small and may only use several pallets annually.

### **Coconut Oil.**

Apart from extra virgin coconut oil, most coconut oil is shipped in bulk and requires on site inspection to assure the quality of the product. Specialist importers of oil such as [www.gardnersmith.com.au](http://www.gardnersmith.com.au) operate in Australia alongside the major vegetable oil users (Meadow Lea & Unilever) and the market is tightly held.

### **Remember!**

For all coconut importing segments, PT&I Sydney office can help with advice to ensure your product is in export ready form (including specs from your potential customers, quarantine and any necessary pure food clearances). Once the above issues are sorted, PT&I will also be able to arrange appointments with key importers and buyers in each of the above segments.

### **Coconut cream/milk.**

There are around 30 brands on the Australian market (mostly sourced from Asia). This highly value added segment has dozens of importers, mainly Sydney and Melbourne based, within the specialty food wholesaler segment.

Such specialty food importers sometimes sell direct (sometimes via a website) but tend to concentrate on supermarkets, specialty food retailers and food service.

### **Dessicated coconut.**

Similar distribution to coconut cream/milk except that a small proportion of overall imports may be diverted from the majority cakes/biscuit/confectionary processed food users for repackaging for retail.

### **Copra feed.**

Major importers of this product sell directly to end user farmers via produce stores and also have direct sales of bulk product to feedlots and large horse studs. Depending on copra feed price vs other feed prices, a small proportion is sold to the 4-5 million tonne stockfeed industry. Companies such as [www.castlegatevgs.com.au](http://www.castlegatevgs.com.au) and [www.pcgroup.com.au](http://www.pcgroup.com.au) require consistent quality and on time delivery.

### **Fresh coconuts.**

There are a few specialty importers who supply major supermarkets such as Coles and Woolworths.





## CUSTOMS, QUARANTINE AND FOOD STANDARDS

There is no import duty on products sourced from the Pacific Islands into Australia. The Australian Customs service website is at [www.customs.gov.au](http://www.customs.gov.au)

The two major quarantine/health concerns for coconut products concern African Snail and Salmonella, in particular for Copra and Desiccated coconut. Apart from close AQIS scrutiny, your importer and end user will doubtless have his own quality and health standards for your shipment and it will be worthwhile checking the requirements of both.

For all quarantine and food standard clearances, please check with [www.aqis.gov.au](http://www.aqis.gov.au) who provide entry requirements into Australia in their Import Conditions Database.

For food standards please refer to [www.foodstandards.gov.au](http://www.foodstandards.gov.au). Food Standards Australia New Zealand is a bi-national Government agency whose main responsibility is to develop and administer the 'Australia New Zealand Food Standards Code' which lists requirements for foods such as additives, food safety, labelling and GM foods. Relevant entry inspections concerning food standards are the responsibility of AQIS. Enforcing and Interpreting the Code once product is marketed in Australia is the responsibility of State/Territory Health Departments within Australia and New Zealand.

## PACKAGING AND LABELLING

With such varied products, in both the industrial and consumer segments, packaging and labelling varies widely.

For coconut oil, copra stockfeed and activated carbon, it is important to obtain the importer specification as well as their packaging and labelling requirements up front in order for you to appropriately cost.

For consumer products such as coconut cream/milk, desiccated coconut etc, please refer initially to PT&I's Packaging and Labelling Fact Sheet, on our website [www.pacifictradeinvest.com](http://www.pacifictradeinvest.com). Please note that [www.foodstandards.gov.au](http://www.foodstandards.gov.au) have packaging and labelling requirements for (consumer) product sold in the Australian market

## HOW WE CAN ASSIST

Exporting can be a challenge and PT&I Sydney will provide Forum Island Country companies with the knowledge, advice and practical support to help them succeed in an increasingly global economy.

We offer a range of services facilitating Pacific Island Country imports into the various segments of the Australian market.

We assist small and medium sized businesses that are new to, or have limited experience in exporting. Our program helps eligible businesses develop the skills and knowledge required to seek out and be ready for export opportunities.

To be eligible for PT&I export facilitation services business must be export capable and have:

- A product, service or patented intellectual property with clear export potential.
- Management commitment to becoming an exporter and developing the export side of the business, including a willingness and capacity to visit the market if appropriate.
- An ability to assign export budget and financial resources to get into export, including a budget to visit the market.
- A growth strategy.
- An understanding that the company will need to participate in coaching before going on an overseas visit or mission.
- Marketing materials, such as a website or brochure, with an understanding that materials specific to the international market may need to be developed.
- The capacity to build and maintain supply capability.





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