



KOKONAS INDUSTRI KOPORESEN

COCONUT MARKET REVIEW

FOURTH QUARTER

OCTOBER – DECEMBER 2023

THE AGRIBUSINESS DEVELOPMENT & MARKETING PROGRAM.

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1. INTERNATIONAL MARKET.

Table 1 presents the average world market prices for copra and CNO up to this quarter. For copra, its monthly world market prices averaged \$1,139/MT, roughly 5.9% higher than the third quarter average, and 16.2% more than \$980/MT in the corresponding quarter of 2022. By month, copra prices were reduced by 2.0% to \$1,139/MT in

October from \$1,162/MT in September. It declined further by 3.2% to \$1,103/MT in November but increased by 6.5% to \$1,175/MT in December. This rising momentum in prices resulted from pressure on copra demand in the Philippines and Bangladesh, especially in terms of origin processing demand.

Table 1: Average Monthly Prices of Copra and CNO (Jan –Dec 2023).

Months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Copra (CIF NW US\$/MT)	1,060	1,030	1,034	1,027	1,028	1,130	1,025	1,040	1,162	1,139	1,103	1,175
Quarterly Average	1,041.00			1,062.00			1,076.00			1,139.00		
CNO (CIF Rott US\$/MT)	1,077	1,109	1,102	1,072	1,031	1,016	1,047	1,100	1,069	1,053	1,120	1,117
Quarterly Average	1,096.00			1,040.00			1,072.00			1,097		

This quarter, world CNO prices averaged \$1,097 MT, an increase by 2.3% from the third quarter, but a decline by 3.9% from \$1,142/MT in the corresponding quarter of 2022.

By month, CNO prices fell by 9% to \$1,053/MT in October from \$1,069/MT in September; however, prices rebounded by 6.4% to \$1,120/MT in November. Nevertheless, the market struggled to sustain this momentum with the average CNO price sliding back a little by 0.3% to \$1,117 in December.

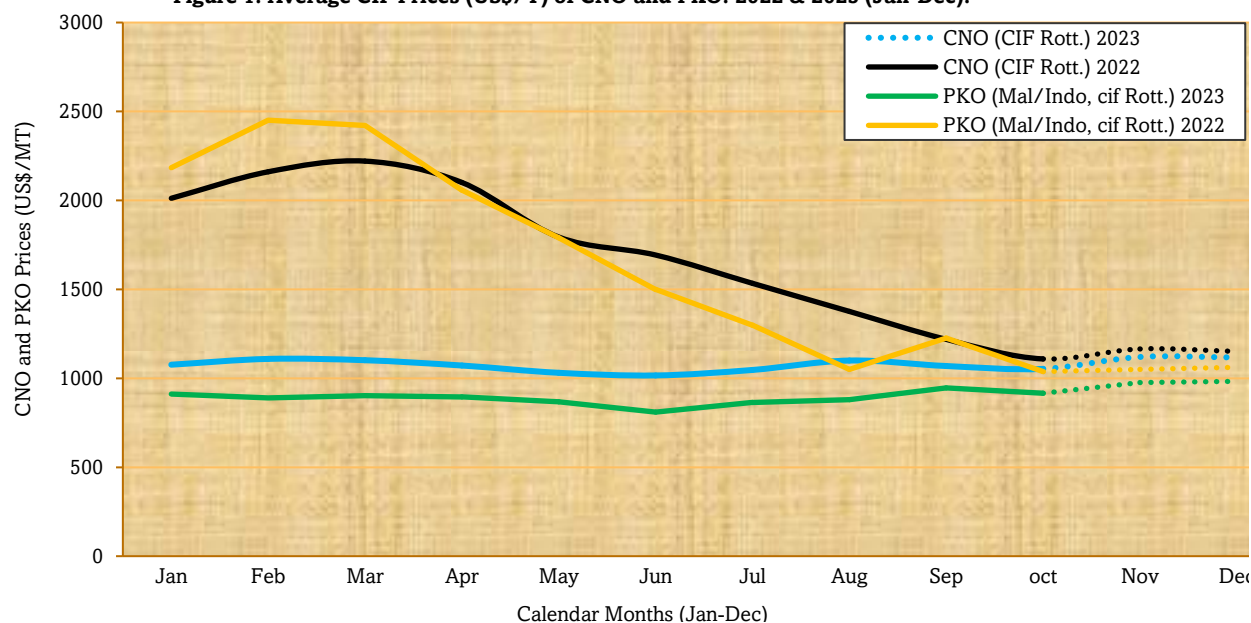
The average PKO price rose by 6.9% to \$958/MT this quarter from \$897/MT in the third quarter; however, it declined by 8.7% to \$1,050/MT compared to the corresponding quarter of 2022.

Overall, the average prices of both CNO and PKO have improved in this quarter. This improvement reflected the relatively robust prices of sunflower and rapeseed both of which have witnessed revival in their demands.

Figure 1 depicts the CNO and PKO prices up to this quarter. This extended price growth path allows us to compare the performance of these products' prices with those that prevailed during 2022.

Overall, both products' prices were relatively weaker compared to their robustness in corresponding quarter of 2022. However, overall, CNO has had slight premiums over PKO during 2023 but tended to have clustered in the fourth quarter of both years, reflecting the highly competitive demand for sunflower and rapeseed that pushed down relative prices of both CNO and PKO.

Figure 1. Average CIF Prices (US\$/T) of CNO and PKO: 2022 & 2023 (Jan-Dec).



2. DOMESTIC MARKET.

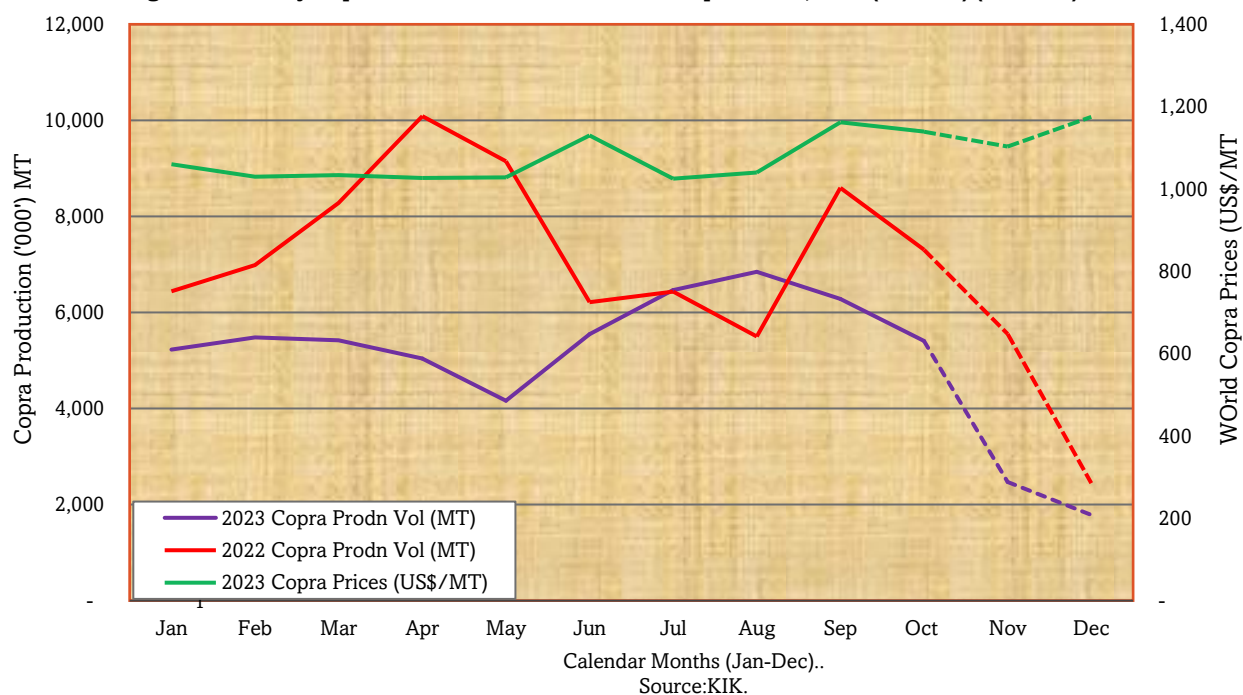
2.1 Copra Production.

Figure 2 depicts the domestic copra production versus their world market prices. The dotted lines indicates the trends for this quarter.

Copra production averaged 3,220 MT, a decline by 50.7% from 6,431 MT in the third quarter, and by 36.9% compared with the corresponding quarter of 2022. On a month-on-month basis, the production of copra went down

by 13.9% to 5,406 MT in October from 6,281 MT in September. It dropped further by 54.7% and 27.7% to 2,470 MT and 1,785 MT in November and December, respectively. At the same time, the average international copra price went down by 2.0% to \$1,139/MT from \$1,162/MT in September. It dropped further by 3.2% to \$1,103/MT in November but rose by 6.5% to \$1,175/MT in December. On average, the world copra price rose by 5.9% during this quarter; however, domestic production trended downward, indicating supply shortage within the domestic coconut sector.

Figure 2: Monthly Copra Production in PNG Vs World Copra Prices, 2023 (Jan-Dec) (US\$/MT).



2.1.1 Copra Exports by Buying Centres.

Table 2 depicts the copra exports by major buying centres. The volume of copra exports this quarter reached 1,929 MT, an increase by 68.9% from 1,142 MT in the third quarter. Of this volume, the port of Kimbe contributed

73.7% (1,421 MT) and Rabaul 26.3% (508 MT). In October, 508 MT of copra was exported and 1,421 MT in November. No export figures were registered for December at the time of writing. Overall, the copra export trend was consistent with the trend in the product's prices this quarter.

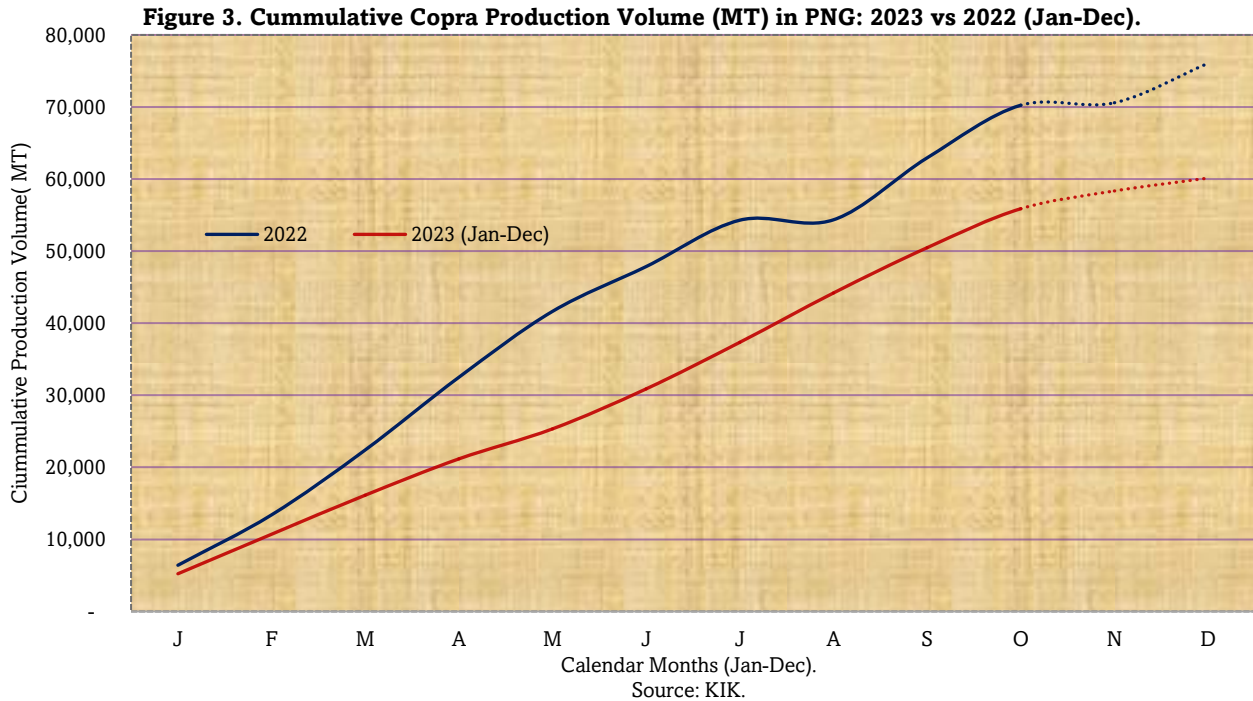
Table 2: Exports of Copra by Buying Centres.

Depot Centre	J	F	M	Total	A	M	J	Total	J	A	S	Total	O	N	D	Total
Buka	-	879	-	879	-	1,305	1,174	2,479	-	-	-	-	508	-	-	508
Rabaul	811	1,409	291	2,511	-	1,442	-	1,442	1,142	-	-	1,142	-	-	-	-
Kimbe	-	1,429	-	1,430	-	-	433	433	-	-	-	-	-	1,421	-	1,421
Kavieng	-	-	-	-	-	749	-	749	-	-	-	-	-	-	-	-
Total	811	3,717	291	4,820	-	3,496	1,606	5,102	1,142	-	-	1,142	508	1,421	-	1,929

2.1.2 Cumulative Volume of Copra Production.

Figure 3 depicts the cumulative copra production volumes which indicates the productivity of the coconut sector during 2022 and 2023. This quarter was marked by the continuing divergent production trend reflecting a weaker

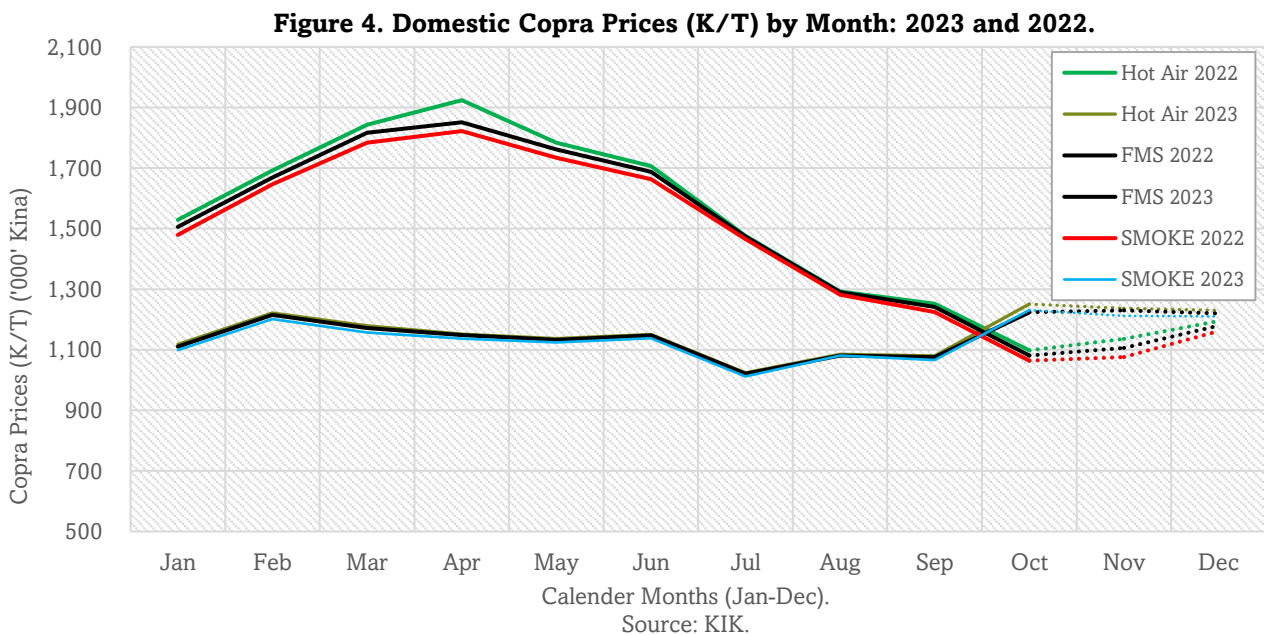
production in 2023 compared with the corresponding quarter of 2022.



2.2 Domestic Copra Prices.

Figure 4 depicts the domestic farm gate prices for the different grades of copra from January to December during 2022 and 2023. This quarter, the average hot air copra price went up by 16.6% to K1,239/MT from K1,063/MT in the third quarter and by 19.5% compared with the corresponding quarter of 2022.

At the same time, the FMS price rose by 16.3% to an estimated K1,232/MT from K1,059/MT in the third quarter, and by 19.9% compared with K1,027/MT in the corresponding quarter of 2022. On a similar note, the smoked copra price rose by 15.6% from K1,053/MT to K1,218/MT this quarter and by 19.1% compared to K1,108/MT in the corresponding quarter of 2022.



On a monthly basis, the average hot air price of copra rose by 15.8% to K1,251/MT in October from K1,080/MT in September, but saw a slight fall by 1.1% to K1,237/MT in November and by 0.6% to an estimated K1,230/MT in December.

For FMS grade copra, its monthly average price increased by 15.5% to K1,246/MT in October from K1,076/MT in September, but saw a slight fall by 1.3% and 0.8% to K1,230/MT and K1,220/MT in November and December, respectively.

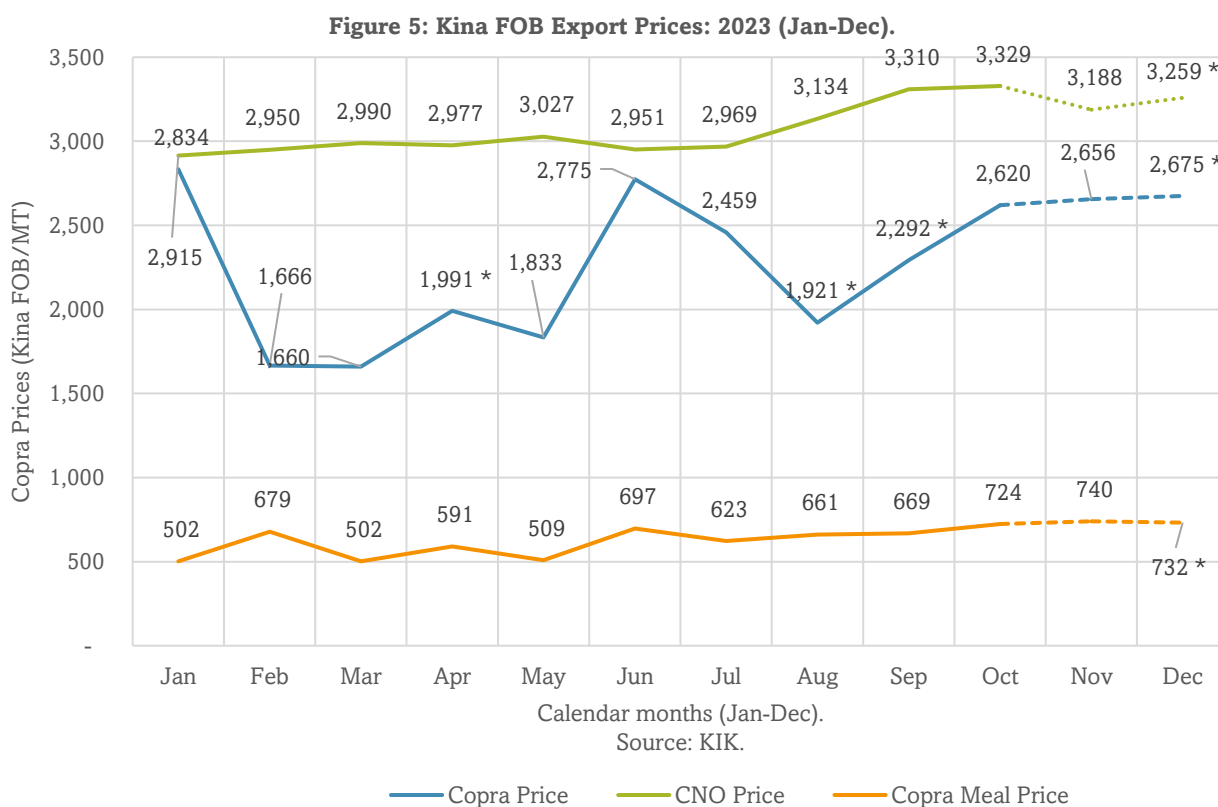
The average monthly smoked price increased by 6.1% to K1,231/MT in October from K1,076/MT in September. It declined by 1.5% to K1,212/MT in November and by 0.2% to an estimated K1,210/MT in December.

Overall, the hot air and FMS copra prices performed relatively better during 2023 compared with 2022 as

reflected by the annual growth rates for hot air and FMS copra prices which averaged 2% and 2.2% in terms of the copra meal price. In contrast, during 2022, all domestic copra prices experienced negative annual growth rates - hot air copra price (-11.2%), FMS grade copra (-11.4%), and copra meal (-11.5%).

2.3 FOB Export Prices of Coconut Products.

Figure 5 depicts the average export prices of coconut products up to this quarter. As indicated by the dotted segment of the price lines, copra prices continued the downward trend into the closing quarter of the year, averaging K2,656/MT, 19.2% more than K2,224/MT in the third quarter. Similarly, CNO prices averaged K3,349/MT this quarter, 6.7% more than K3,138/MT in the third quarter. The copra meal prices averaged K732/MT, 12.9% up from K651/MT in the third quarter.



*estimates.

By month, copra prices averaged K2,620/MT in October, an increase by 14.3% from K2,292/MT in September. It rose further but by only 1.4% to K2,656/MT in November

and by 0.7% to K2,675/MT¹ in December given the competitive market pressure towards the end of the year.

¹ Estimated value at the time of writing to be revised at a later time.

CNO prices increased marginally by 0.6% to K3,329/MT in October from K3,310/MT in September, but dropped by 4.2% to K3,188/MT in November. It rose again by 2.2% to K3,259/MT² in December.

Copra meal prices averaged K724/MT in October, up by 8.2% from K669/MT in September. It further increased by

2.3.1 Copra Exporter Margins.

Table 3 presents the PGK export margins. This quarter's export margins were relatively high averaging 53.4% compared with the average export margin figures in the

2.2% to K740/MT in November but fell by 1.1% to K732/MT³ in December.

Overall, FOB export prices for all domestic coconut products in 2023 were relatively better than in 2022. Copra export prices saw an annual growth of 3.4%, CNO, 1%; and copra meal, 5.6%.

preceding quarterly periods. On a monthly basis, exporter margins consecutively rose starting from 52.4% in October reaching 54.4% in December. Exporter margins are usually influenced by prevailing exchange rates of the PGK per USD (K3.52/\$ in 2023) less the operational costs of the exporters.

Table 3. Copra Export Margins: 2023 (Jan – Dec).

Month	Copra Export Price (US\$ FOB/MT)	Copra Export Prices (PGK FOB/MT)	FMS Copra Price (PGK/MT)	Exporter Margin (PGK FOB/MT)	% Share of PGK FOB Copra Price/MT
Jan	1,060	2,834	1,111	1,723	60.1%
Feb	1,030	1,666	1,215	1,215	72.9%
Mar	1,034	1,660	1,172	488	29.4%
Average	1,041	2,053	1,166	1,142	54.1%
Apr	1,027	1,911*	1,126*	785*	41.1%
May	1,028	1,833	1,133	700	38.2%
Jun	1,130	2,775	1,147	1,628	58.7%
Average	1,062	2,304	1,143	709	46.0%
Jul	1,025	2,459	1,107	1,350	29.7%
Aug	1,040	2358*	1,077*	1,281	54.3%
Sep	1,162	2,356*	1,045*	1,311*	55.6%
Average	1,076	2,459	1,059	1,314	46.5%
Oct	1,139	2,620	1,246	1,374	52.4%
Nov	1,103	2,656	1,230	1,426	53.7%
Dec	1,175	2,675*	1,220	1,455*	54.4%
Average	1,139	2,089	1,232	1,418	53.4%

Note. 1. Exchange rate estimates are based on exchange rate figures from January to Dec 2023.
2. *estimate.

2.4 Exports of Coconut Products.

2.4.1 Copra.

Table 4 presents copra exports up to this quarter. Copra exports totalled 1,929 MT, an increase by 68.9% from 1,142 MT in the third quarter; however, a drop by 57.8% from 4,570 MT in the corresponding quarter of 2022. In

October, 508 MT of copra was exported. Exports rose by 1.6-folds to 1,421 MT in November. No exports were reported in December at the time of writing.

Table 4. Copra Exports (Jan-Dec 2023).

Calendar Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Export Volume (MT)	811	3,717	291	-	3,496	1,606	1,142	-	-	508	1,421	-
Quarterly Total (MT)	4,819			5,102			1,142			1,929		

² Estimated value at the time of writing to be revised at a later time.

³ Estimated value at the time of writing to be revised at a later time.

2.4.2 CNO.

Table 5 presents CNO export volumes. Total export fell in the fourth quarter by 20.6% to 4,040 MT from 6,656 MT in the preceding quarter and by 39.6% compared to the corresponding quarter of 2022.

By month, CNO exports increased to 3,068 MT in October but dropped by 82.4% to 540 MT in November, and further declined by 20.0% to 432 MT in December.

Table 5. CNO Exports (Jan-Dec 2023).

Calendar Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Export Volume (MT)	2,188	1,771	432	670	734	556	4,224	1,123	1,309	3068	540	432
Quarterly Total (MT)	4,391			1,960			6,656			4,040		

2.4.3 Copra Meal.

Table 6 presents the export volume of copra meal. Exports of copra meal in this quarter fell by 20.9% to 2,082 MT from 2,631 MT in the third quarter. It also declined by the same proportion from 2,629 MT in the corresponding quarter of 2022.

Looking at the monthly performance, export volume of copra meal rose by approximately 3.69 times from 320 MT in September to 1,502 MT in October but declined by 81% to 280 MT in November; however, it went up again by 7.1% to 300 MT in December, partly in response to rising price momentum at the end of the year.

Table 6. Copra Meal Exports (Jan-Dec 2023).

Calendar Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Export Volume (MT)	300	1,120	340	339	340	1,829	1,171	1,140	320	1,502	280	300
Quarterly Total (MT)	1,760			2,508			2,631			2,082		

2.5 Domestic Exporters of Coconut Products.

second quarter and 100% (1,141 MT) and 26.3% (508) during the third and fourth quarters, respectively.

2.5.1 Copra Exporters and Market Share.

Table 7 presents the domestic exporters and their export market shares. Two exporters were responsible for exporting the total of 1,929 MT of copra exported during the fourth quarter, namely, KBSA (73.7%) and CPL (26.3%). Overall, CPL was able to retain some share of the market throughout the four quarters of the year, exporting 22.9% (1,102 MT) of the total copra exports from PNG during the first quarter, followed by 9.5% (435 MT) in the

KBSA exported copra during both the first and fourth quarters; and Pacific Lama Traders, One Yu Sing and Sankamap exported during both the first and second quarters, while Kliaren exported only during the second quarter. KBSA exported 73.7% of the total exports in the fourth quarter to the Philippines while CPL exported 26.3% of the same to Bangladesh.

Table 7. Copra Exporters and Market Share (Jan-Dec,2023).

Exporters	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)
Pacific L Traders	1,409	29.4	1,007	19.7	-	-	-	-
CPL	1,102	22.9	435	9.5	1,141	100.0	805	26.3
KBSA	935	19.4	-	-	-	-	1,421	73.7
Sankamap	879	18.2	2,479	48.6	-	-	-	-
One You Sing	495	10.3	432	7.5	-	-	-	-
Kliaren	-	-	749	14.7	-	-	-	-
Total	4,820	100.0	5,102	100	1,141	100.0	1,929	100.0

2.5.2 CNO Exporters and Market Share.

Table 8 presents CNO exporters and their domestic market shares. In the last quarter, exports of the total CNO volume of 4,040 MT were carried out by Markham Farming (58.8%) and CPL (41.2%). These two exporters

have consistently exported CNO throughout the year. Malaysia imported 78.6% (3,175 MT) of the total fourth quarter CNO exports of 4,040 MT from PNG, and Indonesia 21.4% (864 MT), mainly for their domestic industrial needs.

Table 8. CNO Exporters and Market Share (Jan-Dec,2023).

Exporters	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)
CPL	2,446	55.7	556	27.2	3,481	52.3	1,664	58.8
Markham Farming	1,404	32.0	670	32.7	2,182	32.8	2,376	41.2
Pristine Co.101 Ltd	541	12.3	820	40.1	993	14.9	-	-
Total	4,391	100.0	2,046	100	6,656	100.0	4,040	100.0

2.5.3 Copra Meal Exporters and Market Share.

Table 9 presents the copra meal exporters, export volumes and their market shares. In this quarter, copra meal exports were undertaken by Pristine Co.101, CPL, and Markham Farming, the three major copra meal exporters in the country. They collectively exported 2,082 MT. Of this amount, Pristine Co.101 exported 280 MT, representing 13.5% of the domestic market share, followed by CPL with 602 MT (28.9%), and Markham

Farming 57.6% (900 MT).

2.5.4 Copra Meal Export Destinations.

The copra meal was exported to six (6) different world markets, led by Australia (53.8%, 920 MT), followed by Malaysia (14.5%, 302 MT), India (14.4%, 300 MT), USA (12.5%, 260 MT), UK (3.8%, 80 MT), and New Caledonia (1.0%, 20 MT).

Table 9. Copra Meal Exporters and Market Share (Jan-Dec,2023).

Exporters	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)	Export Vol (MT)	Market Share (%)
CPL	840	47.7	1,708	68.1%	971	36.9	602	28.9
Markham Farming	740	42.1	500	19.9	980	48.7	1,200	57.6
Pristine Co.101 Ltd	180	10.2	300	12.0	380	14.4	280	13.5
Total	1,760	100.0	2,509	100.0	2,631	100	2,082	100.0

3. EXPORT EARNINGS FROM COCONUT PRODUCTS.

Table 10 presents the earnings from copra, copra oil and copra meal exports. This quarter's total export earnings from the three coconut products equalled K18.22M, 25.8% lower than the third quarter earnings, and 4.3% less than K19.03M in the corresponding quarter of 2022.

By month, total export earnings rose to K12.63M in

October from K4.21 in September but went down considerably by 68% to K3.99M in November. It dropped further by 60% to K1.60M in December.

This quarter, CNO contributed the largest share (73.1%) to the total quarterly export earnings, but slightly lower than the 81.6% share it contributed in the third quarter, while copra contributed 18.6% and copra meal 8.3%.

Table 10: Export Earnings from Coconut Products: 2023 (Jan-Dec).

Month	Copra (K'M)	CNO (K' M)	Meal (K'M)	Total (K'M)
Jan	2.30	6.38	0.15	8.83
Feb	6.19	5.20	0.86	12.26
Mar	0.76	1.20	0.17	2.13
<i>Total</i>	<i>9.25</i>	<i>12.78</i>	<i>1.18</i>	<i>23.22</i>
Apr	-	1.99	0.20	2.19
May	6.41	2.21	0.17	8.79
Jun	4.46	1.64	1.22	7.37
<i>Total</i>	<i>10.87</i>	<i>5.84</i>	<i>1.64</i>	<i>18.35</i>
Jul	2.81	12.54	0.73	16.08
Aug	-	3.52	0.76	4.28
Sep	-	3.99	0.22	4.21
<i>Total</i>	<i>2.81</i>	<i>20.05</i>	<i>1.71</i>	<i>24.57</i>
Oct	1.33	10.21	1.08	12.63
Nov	2.06	1.72	0.21	3.99
Dec	-	1.39	0.21	1.60
Total	3.39	13.32	1.50	18.22

SUMMARY

A. INTERNATIONAL MARKET.

1. This quarter, monthly world market prices for copra were 5.9% higher than in the third quarter, and 16.2% more than in the corresponding quarter of 2022.

2. Month-on-month, world market copra prices fell by 2% in October and by 3.2% in November but increased by 6.5% in December. This rising momentum in prices resulted from pressure on domestic copra demand in the Philippines and Bangladesh.

3. International CNO prices were 2.3% higher than in the third quarter but 3.9% lower compared with the corresponding quarter of 2022.

4. Month-on-month, CNO prices fluctuated during the quarter having fallen by 9% in October, increased by 6.4% in November, and sliding back again by 0.3% in December.

5. The average world market for PKO was 6.9% higher than in the third quarter but 8.7% lower compared to the corresponding quarter of 2022.

6. Overall, this quarter saw the average prices of both CNO and PKO improved due to the rising demand and thus prices for sunflower and rapeseeds.

7. In general, the prices of both CNO and PKO remained weaker this quarter compared to the corresponding quarter of 2022, having been pushed downwards by the competitive demand for sunflower and rapeseeds. However, CNO prices had slight premiums over PKO prices during 2023.

B. DOMESTIC MARKET.

8. This quarter, copra production fell by 50.7% from 6,431 MT in the third quarter, and by 36.9% compared with the corresponding quarter of 2022.

9. On average, the PGK world copra price rose by 5.9% during this quarter; however, domestic production trended downward, indicating supply shortage within the domestic coconut sector.

Copra Exports by Buying Centres.

10. The volume of copra exports increased by 68.9% to 1,929 MT from 1,142 MT in the third quarter. The port

of Kimbe contributed 73.7%, and Rabaul 26.3% (508 MT).

Domestic Copra Prices.

11. The average hot air copra price rose by 16.6% to K1,239/MT from K1,063/MT in the third quarter and by 19.5% compared with the corresponding quarter of 2022.

12. The FMS price rose by 16.3% to an estimated K1,232/MT from K1,059/MT in the third quarter, and by 19.9% compared with K1,027/MT in the corresponding quarter of 2022.

13. The smoked copra price rose by 15.6% to K1,218/MT from the third quarter and by 19.1% compared with K1,108/MT in the corresponding quarter of 2022.

14. Overall, the hot air and FMS copra prices performed relatively better during 2023 compared with 2022.

PGK FOB Export Prices of Coconut Products.

15. Copra prices continued the downward trend this quarter averaging K2,656/MT, 19.2% more than K2,224/MT in the third quarter.

16. CNO prices averaged K3,349/MT this quarter, 6.7% more than K3,138/MT in the third quarter.

17. Copra meal prices averaged K732/MT, 12.9% up from K651/MT in the third quarter.

18. Overall, FOB export prices for all domestic coconut products in 2023 were relatively better than in 2022. Copra export prices saw an annual growth of 3.4%, CNO, 1%; and copra meal, 5.6%.

Copra Exporter Margins.

19. This quarter's export margins were relatively high averaging 53.4% compared with the average export margin figures in the preceding quarterly periods.

Exports of Coconut Products.

20. Copra exports totalled 1,929 MT, an increase by 68.9% from 1,142 MT in the third quarter; however, a

drop by 57.8% from 4,570 MT in the corresponding quarter of 2022.

21. CNO export volumes. Total export fell in the fourth quarter by 20.6% to 4,040 MT from 6,656 MT in the preceding quarter and by 39.6% compared to the corresponding quarter of 2022.

Domestic Exporters of Coconut Products.

22. Two exporters were responsible for exporting the total of 1,929 MT of copra exported during the fourth quarter, namely, KBSA (73.7%) and CPL (26.3%).

23. Overall, CPL was able to retain some share of the market throughout the four quarters of the year, exporting 22.9% (1,102 MT) of the total copra exports during the first quarter, followed by 9.5% (435 MT) in the second quarter and 100% (1,141 MT) and 26.3% (508) during the third and fourth quarters, respectively.

CNO Exporters and Market Share.

24. Exports of the total CNO volume of 4,040 MT were carried out by Markham Farming (58.8%) and CPL (41.2%). These two exporters have consistently exported CNO throughout the year.

25. Malaysia imported 78.6% (3,175 MT) of the total fourth quarter CNO exports of 4,040 MT from PNG, and Indonesia 21.4% (864 MT), mainly for their domestic industrial needs.

Copra Meal Exporters and Market Share.

26. Exports of copra meal were undertaken by Pristine Co.101, CPL, and Markham Farming, the three major copra meal exporters in the country. They collectively exported 2,082 MT. Of this amount, Pristine Co.101 exported 280 MT, representing 13.5% of the domestic market share, followed by CPL with 602 MT (28.9%), and Markham Farming 57.6% (900 MT).

Copra Meal Export Destinations.

27. This quarter, copra meal was exported to six (6) different world markets, led by Australia (53.8%, 920 MT), followed by Malaysia (14.5%, 302 MT), India (14.4%, 300 MT), USA (12.5%, 260 MT), UK (3.8%, 80 MT), and New Caledonia (1.0%, 20 MT).

C. EXPORT EARNINGS FROM COCONUT PRODUCTS.

28. Export earnings from the three coconut products totalled K18.22M, 25.8% lower than the third quarter earnings, and 4.3% less than K19.03M in the corresponding quarter of 2022. CNO contributed the largest share (73.1%) to the total quarterly export earnings, but slightly lower than the 81.6% share it contributed in the third quarter, while copra contributed 18.6% and copra meal 8.3%.