



# Persatuan Pengguna Pulau Pinang Consumers Association of Penang

檳城消費人協會 பிளாங்கு பயனீட்டாளர் சங்கம்

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Letter to Editor

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## REGULATE THE IMPORT OF COCONUTS

With Thaipusam and Chinese New Year just around the corner, local coconut growers and sellers encountered a challenging situation to sell local coconuts that are priced between RM1.20 and RM1.50 each against those from Indonesia that are priced between RM0.80 and RM1.00. The reason is that coconuts imported from Indonesia cost only RM550 per tonne, or about RM0.55 each.

Again, we can see that it is the result of a myopic agricultural policy. The 2016 statistics show that Indonesia's 3.6 million hectares (ha) of coconut plantation produces 183 million tonnes of coconuts. Its domestic consumption stood at 1.8 million tonnes, thus have a surplus of 181.2 tonnes to export.

Malaysia took 10th position worldwide, losing out to even Sri Lanka (5th position) and even Mexico (8th position). It produced 646,932 tonnes from its 80,360 ha of land and having to import another 110,000 tonnes to meet the local demand. This is where the pricing problem begins when Malaysia imports coconuts from countries with a surplus production such as Indonesia.

It puts local growers and sellers in a Catch-22 situation whereby they cannot match the price of Indonesian coconuts. Given a choice, consumers will go for the cheaper coconut. Imagine the situation whereby a person bought 100 coconuts that are priced at RM1.20 (the cheapest of a locally grown coconut) and another person doing the same with RM1.00 (the highest reported price of an Indonesian coconut) ones. The one buying RM1.00 coconuts would have saved RM20 or 20% of the total cost.

The reason for such situation is that we have given the wrong priorities in our agricultural policies. Malaysia has a disproportionately massive 5.1 million ha of oil palm cultivation as compared to 52,582 ha (1.03 per cent) of vegetables, 205,467 ha (4.03 per cent) of fruits, and 80,360 ha (1.58 per cent) of coconuts. Even then we can see from the table below that the hectareage of coconut cultivation had plunged over the years:

Year	Total coconut production (tonnes)	Hectareage of coconut cultivation
2001	475,560	151,004
2002	358,460	136,915
2003	400,000	131,709
2004	429,267	143,089
2005	391,443	130,481
2006	344,847	114,949
2007	382,000	109,185
2008	555,120	112,000
2009	459,640	100,000
2010	550,140	106,000
2011	562,556	109,000
2012	606,530	112,000
2013	624,727.0	87,974.3
2014	595,096.6	88,092.5
2015	505,613.8	82,000.5
2016	504,772.5	84,608.7
2017	517,588.5	83,250.1

Although the tonnage of coconut had increased despite the decline in the cultivation hectareage by 55.13%, it is still unable to meeting consumption demand which is likely to grow because of population had also grown by 8 million during the 16 years. As long as this happens local growers will face a stiff price competition with the imported coconuts. When they continue to run a loss, they might give up the cultivation of coconuts and switch to some other crops. Therefore, we would like to suggest that:

- > The government regulates the import of coconuts, at least until the situation stabilises.
- > Encourage farmers or enterprising individuals to cultivate coconuts, vegetable, or fruits.

It is dangerous for the country to forge forward into the future without a long-term plan for its food security. We would urge the government to revamp the existing agricultural policy rather than tweaking it as we can observe that it had already failed for decades.

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