

The market potential for virgin coconut oil in the Chilaw urban area

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Virgin coconut oil is a new coconut-based high value product synthesized with the technology developed by the National Engineering Research and Development center in Sri Lanka. The project on "Developing sustainable coconut-based income generating technologies in poor rural communities through coconut-based interventions" proposed the production of virgin coconut oil in one of the selected coconut-based rural communities to implement the project activities. The "Women's Savings Effort", a community based organization at *Wilpotha* in the Puttalam district has been identified for this purpose, in order to generate additional income for the poor women participants of the community. However, the sustainability of this income generating activity certainly depends on the marketability of the product. Therefore, to assess the marketability of virgin coconut oil among consumers, a market survey was conducted in the Chilaw urban area during February 2003, assuming this location would be the target market for the virgin coconut oil produced by the community. Thirty households were randomly selected and free samples of virgin coconut oil were distributed among them. Then the consumers' responses were collected using a structured questionnaire and descriptive analysis was done to assess the potential marketability of the product.

The results showed that coconut oil is the preferred oil among the householders in the sample irrespective of their education level. Nearly 89% of the sample satisfied with the qualities of virgin coconut oil, while preferring color and smell mostly, which are unique to virgin coconut oil. Nearly, 40% of the respondents indicated their dissatisfaction about the coconut oil currently available at the market. Consequently, there is a tendency of low-income earners of the sample to use more of cheaper palm oils, whereas high income earners to use more of vegetable oils. However, a majority of the respondents (57%) unawares that sometimes *aflatoxin* like substances could be present in bulk coconut oil available at the market. About 68% of the sample indicated their willingness to pay for virgin coconut oil above 100-120 rupees per bottle (750 mL), indicating a higher potential for marketing. These responses show that the virgin coconut oil would have a greater market opportunity in the Chilaw urban area while catering to the consumer needs. Hence, virgin coconut oil production could be identified as one of the potential income generating strategies that can be carried out by the Wilpotha women's community.

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