

## Philippine coconut export earnings slip in Q1 as coconut oil weakness offsets gains in value-added products

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The Philippines' coconut sector entered 2026 on uneven footing as declining revenues from coconut oil exports weighed on overall industry earnings, even as value-added coconut products posted robust growth and policymakers expressed confidence in a production rebound later this year.

Data released by the Philippine Statistics Authority (PSA) showed that export revenues from coconut-based products declined 4.7 per cent in the first quarter to \$849.34 million, down from \$890.77 million during the same period last year.

The contraction was driven primarily by weaker coconut oil shipments, which remain the dominant contributor to the country's coconut export basket. Earnings from coconut oil exports fell 12.9 per cent year-on-year to \$661.06 million from \$759.2 million, underscoring the sector's continued vulnerability to commodity price fluctuations and shifting global demand dynamics.

Yet beneath the headline decline, several higher-value coconut segments demonstrated notable resilience.

Export revenues from desiccated coconut surged 35.1 per cent to \$128.54 million during the January-March period, while outbound shipments of copra meal and cake more than doubled to \$28.31 million. Earnings from other coconut-derived products also climbed 34.1 per cent year-on-year to \$31.43 million. The figures suggest a gradual diversification within the Philippine coconut economy as processors and exporters increasingly move toward higher-value and more specialized product categories.

Despite concerns surrounding the global edible oil market, geopolitical disruptions, and the threat of El Niño conditions later this year, Philippine Coconut Authority (PCA) Administrator Dexter Buted projected optimism over domestic production prospects.

“Production is doing well, that’s an assurance,” Buted told reporters on the sidelines of the 9th Sustainable Agriculture Forum organized by the European Chamber of Commerce of the Philippines (ECCP).

The PCA expects national coconut output to rise to between 16 billion and 17 billion nuts this year, compared to 15.3 billion in 2025, supported by government interventions including fertilization programmes and expanded drip irrigation systems designed to mitigate climate-related production risks. The outlook comes at a critical moment for the Philippine coconut sector, which remains one of the country’s most strategically important agricultural industries, supporting millions of farmers while contributing significantly to export earnings.

At the same time, the industry is preparing for tighter international regulatory scrutiny. Buted also addressed growing concerns surrounding a proposed European Union regulation that seeks to establish mandatory limits on mineral oil aromatic hydrocarbons (MOAH) in food products due to potential health risks.

The proposed framework, which has been formally notified to the World Trade Organization (WTO), could affect global exporters of edible oils and processed food ingredients, including coconut-derived products.

In response, Philippine authorities said they are strengthening testing and compliance infrastructure while awaiting final technical standards from European regulators. “We have already set up the laboratory, but the standards are not yet in, so we’re still waiting for the EU market for all the standards,” Buted said.

The PCA is also encouraging the transition toward “white copra,” a cleaner and safer processing method intended to improve product quality and increase export competitiveness in premium international markets.

“It’s no longer the normal tradition of making the copra. It’s made into a higher value, so there’s now equipment and processing of this white copra,” Buted added.

The evolving regulatory environment reflects a broader transformation underway across global agricultural trade, where food safety standards, traceability requirements, sustainability expectations, and climate resilience are increasingly shaping market access alongside traditional price competitiveness.

For the Philippines, the challenge now lies not only in sustaining coconut production amid climatic uncertainty, but also in repositioning the industry within a more technologically advanced and regulation-driven global food economy.