

Market update May 2021

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Coconut

The coconut market is pretty complicated, active and unusually scarce for the time of the year:

Producers have not been able to fulfil their delivery obligations in time, partially due to high raw nut prices, lack of workers in the factory but also increasing prices of raw material.

Apart from the limited shipments from origin, also freight rates have increased considerably last couple of months due to a container shortage in Asia and other parts in the world.

Some industries have decided to postpone their buying decision, hoping for freight rates and export prices in origin to improve and become more 'normal' again. Same is not happening and since most Philippine producers are fully booked until Q3 already and since Indonesian producers are increasing their prices as well, we expect this situation to last until the end of the year (at least). As informed, the high cropping season will be used to catch up on the shipping delays.

Price corrections are not expected.

Our strong recommendation would be to stay well-covered. Stocks in Europe are drying up quickly!

