

NATIONAL POLICIES, PROGRAMS AND MARKETING STRATEGIES FOR INCLUSIVE GROWTH AND SUSTAINABLE DEVELOPMENT OF THE COIR SECTOR IN INDIA

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A. Coir Industry in India

Out of the various tropical palms, the Coconut (*Cocos nucifera*) is the most useful palm to mankind. Every part of the tree is utilized for some economic purpose. The special feature of coir is that it is produced out of the waste material, i.e. husk of coconuts which is thrown away after the nuts are separated. Currently in India, the Industry earns around Rs.10,000 Million worth foreign exchange from exports, provides employment to 0.7 Million workers and contributes about Rs.25000 Million to the GNP of the country.

Coir is a traditional industry in India which was largely confined to the State of Kerala until 4 decades back. The industry is only second to agriculture in the case of employment generation in Kerala. Over the years, the industry has been able to proliferate in the states of Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Gujarat, UT of Lakshadweep, Andaman & Nicobar Islands, North Eastern States etc. The origin of the manufacturing sector of coir industry in India dates back to the latter half of the 19th century. Mr. James Darragh, an Irish born American together with Mr. Henry Smail established the first coir factory in the ancient port town of Alleppey in the year 1859. For historic and geographical reasons, the coir industry originated and thrived in the Ambalapuzha and Cherthala taluks of Alappuzha revenue district in Kerala. The manufacturing sector of the coir industry originated and thrived at Alleppey owing to the geographical facilities available and the skill of coir workers in that area.

Traditionally, Coir has been a boon to people who were socially and economically marginalised and the industry helped them to sustain for decades. In many areas of the country, coir related activities were used to be taken up by the people for whom alternate avocations were not available. The relatively small amount of investment required for setting up the production contrivances and the low level expertise demanded by the production and manufacture techniques made it an ideal source of income for rural artisans with limited means. The industry is of great significance to the coconut producing States of India as the raw material for Coir industry, is available in abundance in regions of concentrated cultivation of coconut and this can be used for generation of rural employment and income to a sizeable amount of population, especially women.

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Even though the industry originated in India more than one and a half century ago, the techniques and contrivances used by the industry remained more or less the same for decades. Even the families engaged in the avocation have remained to belong to the same thread and new entrepreneurs were not forthcoming in spite of the fact that the amount of investment required by the industry was relatively low. The low rate of returns from the investment in the sector has been cited as a barrier for this predicament. Of late, thanks to the efforts of the Coir Board and other stakeholders of the industry, an array of new value added products and production techniques made perceptible improvement in the rate of returns from the industry.

Coir Products belong to the genre of cent percent nature friendly and bio-degradable products. Under the current scenario of increasing global consciousness on the need of protecting the nature, coir has immense prospects. The role this wonder fibre and its bi-products can play in protecting the nature and regaining some of the lost natural resources is being realized by more and more people world over. Coir Geo-textiles, Coirply, Coirpith Organic Manure, Coir Garden Articles are a few of the items which can be of great help to rejuvenate the eco-system. The present utilization of coconut husk by the coir industry is only about 40%. The growth prospects of the industry offers immense opportunities to new entrepreneurs and venture capitalists.

The Coir Board was set up under the Coir Industry Act, 1953 by the Government of India for the overall sustainable development of the Coir Industry in India. The functions of the Board include undertaking, assisting and encouraging scientific, technological and economic research, modernization, quality improvement, human resource development, market promotion and looking after the welfare of all those who are engaged in this industry. The Board is having 42 establishments including 30 showrooms and sales depots set up in various parts of India with nearly 400 employees.

The estimated production of coir and the employment provided by the Industry during the past 4 years are as follows:

Estimated Production of Coir (in fibre equivalent)

Year	Quantity (Tonnes)
2007-2008	4,37,748
2008-2009	4,91,000
2009-2010	5,15,550
2010-2011	5,25,000

Employment

Year	Estimated employment
2007-2008	6,57,384
2008-2009	6,75,384
2009-2010	6,83,834
2010-2011	6,97,174

Export of Coir from India

Year (April – March)	Quantity (Metric Tonnes)	Value (Rs. crores)
2007-2008	187567	592.88
2008-2009	199925	634.17
2009-2010	294508	804.05
2010-2011	321017	807.07
2011-2012	410854	1052.62

In the wake of globalisation and liberalization, the Board has assumed the role of a promoter and a facilitator rather than that of a regulator and provider. During the XIIth Five Year Plan period, the Government of India has proposed an allocation of Rs.8700 Millions for the development of coir industry in the country. Incidentally, I may mention that the XIth Five Plan allocation for coir industry was only Rs.2820 Millions. The marked enhancement in the allocation of Plan funds shows the importance which the Government of India accords for this industry. An annual growth of 13% in the production of coir fibre has been targeted for the production of coir fibre in the country during the XII Five Year Plan.

B. Policies, Programs and Marketing Strategies for Inclusive and Sustainable Development of the Coir Sector

Optimum Utilisation of Raw Material Based on "Zero wastage" Concept – It is estimated that only about 40% of the available quantity of raw material ie. Coconut husk is used by the coir industry and the remaining portion is lost as waste. Any policy measure intended for development of coir industry should first and foremost address this problem. The Board is initiating a number of measures to increase the utilization of coconut husk by the coir industry. Development of a Mobile Defibering Machine is one of the important steps in this direction.

Modernisation of Spinning and Weaving Processes to Enhance Productivity and Quality – The Industry still employs age-old methods of production and manufacturing. For a long time there was strong resistance from the workers in the Industry against modernization and mechanization efforts. Now the industry is on the parth of improving the productivity of the workers; quality of the products and attracting the younger generation to this industry with mechanization and automation. For enhancing the competitiveness of the coir products in the international market also, modernization of the spinning and weaving processes is highly imperative.

Upgradation of Quality of Coir Products, Strengthening of Coir Mark Scheme and Obtaining Eco-Mark for Coir Products – Poor quality and finish of the products have been cited as two important reasons for decline in the demand for traditional coir products both in the domestic market and export market. Urgent measures have to be initiated to augment the efforts to inculcate quality consciousness among the workers, manufacturers, exporters etc. of the industry. There is also a need to impart training to the artisans on better

methods of production. The ambit of “Coir Mark Scheme”, the quality certification scheme being implemented by the Coir Board has to be widened to ensure the quality of more products. Obtaining Eco-Mark from the concerned Govt. Dept. is a priority programme to popularize the environmental friendly properties of coir products.

Creating a Brand Image for Coir by Showcasing Entire Range of Innovative Products

– Of late, the Industry has developed many novel products and new application areas for coir. Branding is a proven technique for effective marketing. Programmes are on anvil for application of this marketing technique and popularize the products among the customers, especially the younger generation in the domestic market.

Innovative and Vibrant Participation in International Fairs – In the beginning period of the industry in the country, coir was primarily produced for export. It was one of the major items of the export basket of the country until a few decades back. Due to stiff competition from cheaper synthetic products, many of the traditional products of the industry have become unattractive in the international market. In order to regain the lost glory of coir, there is a need of relaunching the products of this industry with more imaginative ways.

Generating and Sustaining Quality Employment Especially for Women/Weaker Sections

– Coir has been an industry which sustained weaker sections of the society for decades. With the advent of more beneficial employment opportunities in areas like construction industry, more and more workers began to desert the industry. The unattractive working conditions are keeping away the younger generation from the industry. Introduction of modern methods of production is the only way to provide quality employment in the sector to the women and weaker sections.

Strengthening Extension Through Transfer of Technologies, Incubation and Field Training

– The research institutes of the Board have developed a number of technologies which have the potential to revolutionise the production and manufacturing activities of the industry. It is proposed to further augment the extension service activities of the Board to popularize these technologies more aggressively. Coir Board is organizing a series of exhibitions and other programmes shortly in the coconut producing states of the country to expose the technologies. The entrepreneurs who venture into the industry will also be provided with proper training and incubation facilities.

High Value Addition and High End Products to Cater to Niche Markets

– Low rate of returns was a factor which kept away investors from the sector for decades. With technology intervention, the industry has been able to develop products with remarkable value addition (in coir composites and upholstery items, the value addition is up to 20 times) Efforts in the direction of product diversification and application of coir for new user areas are to be undertaken vigorously for more value addition. Encouragement of utilisation of coir geo-textiles for road construction, coir ply as a wood substitute are areas of vital interest. Utilisation of various products of coir for salvaging deteriorating ecology is an area which offers immense opportunities. **Promotion of use of natural dyes for dyeing and printing** is a programme which the Board is taking up with the intention of reaping the advantages of growing environment friendly policies adopted by different countries.

Annual Growth for the Production of Coir Fibre: 13% – The popularization of Mobile Fibre Extraction Machine and introduction of a Husk Collection Mechanism are expected to enhance the growth rate of production of coir fibre further.

Technological and Financial Support to Coir Clusters (especially spinning and weaving machines of higher productivity and quality) – The cluster model of development has been found to be quite successful in the development of many industries. Recent experience has shown that this is an ideal model for coir industry to grow. Clusters are in an advantageous position in areas like adopting modern methods of production, procurement of raw materials, marketing, etc. Through programmes like Scheme of Fund for Regeneration of Traditional Industries (SFURTI), the Coir Board is giving more thrust to this approach.

Encouraging Innovation and Acquisition of IPRS such as Patents, GI etc. – New products and technologies will be developed only if the benefits accruing out of the efforts are guaranteed to the developer. To encourage development of new products, the Board proposes to extend all sorts of assistance to entrepreneurs in acquiring Intellectual Property Rights, Patents and GIs from agencies concerned.

Enhancing the Status as a Large Scale Industry – Coir has been a traditional and Small Scale Industry for decades. In order to become a modern and vibrant industry capable of competing with similar products in the domestic and international markets, coir has to undergo drastic changes in the scale of operations. It has to become capable of reaping the advantages of economies of scale. More research and development activities have to be directed towards this end in the changing world economic scenario.

Health Coverage Insurance Scheme for Coir Workers to be Introduced – Labourers are the backbone of any industry and their welfare is of paramount importance. Coir Board is implementing an insurance scheme for coir workers against death and loss of limbs caused by accidents. It is proposed to widen the ambit of the scheme by including health insurance.

C. Future Prospects

As a green industry, coir offers immense opportunities to coconut producing countries. The growing concern over environment preservation has opened up new doors for coir industry. Products of coir can be used both for protecting the existing scarce natural resources and to help rejuvenate the environment.

There is a need of combining the wisdom and resources of different coconut producing countries in the world to tap the great opportunity thrown open before the coir industry. Development of new products, new user areas, new technologies, research and development, marketing are some of the areas in which combined efforts are required. As individual countries, we have limitations but as a group, there are unmet possibilities before us.

I hope this Meet will deliberate upon practical ways and means for pooling our men and resources for making coir a modern and vibrant industry.