

PERFORMANCE OF COIR INDUSTRY OF INDIA

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Abstract

Coir is the actually waste product of the coconut which is the outer shell of coconut and how this waste is converted into the best products, is the journey of coir industry in India. Coir products are exported to more than 80 countries in the world. India is the largest producer and exporter of the coir and coir products. India contributes 80% of the world's production of coir. Coir Board is the statutory body which works for the development of coir industry. The study focus is to evaluate the contribution of coir industry in terms of exports, employment, what incentives are offered by the coir board and MSME (Micro, Small and Medium Enterprises) ministry to the coir industry and find out the challenges faced by the coir industry.

Keywords: Coir Industry, Coir Board, MSME Ministry, Exports, Employment generation.

INTRODUCTION

Coir

Coir is a natural fibre which is obtained from the outer part of the coconut. It is used in many ways like making ropes, mats, handicrafts, brushes and many more things are prepared with the coir fibre. It is removed from the coconut husk and then it is cleaned and used to make the products. It looks golden in colour so it is also named as "The Golden Fibre" of India.

Coir Products

Coir Fibre

Coir Yarn

Ropes

Different Coir mats

Different coir matting

Tiles

Coir Rugs

Belts

Non-woven products

Coir Geo-textiles

Coir Pith

Garden articles

Other products

Coir Industry Facts

The coir industry is based in Kerala, Alleppey is the main centre for its production and Kerala alone produces 60% of world's coir.

The industry employs 7.34 lakh workers which are mostly rural and backward poor class.

Both men and women are actively involved in the production processes of coir and 80% of the workers are women.

There is huge demand of coir products in the international market because coir is very eco-friendly fibre.

Every year lacs of metric tonnes of coir is produced in India.

Other coconut producing states which are involved in the industry are Tamilnadu, Karnataka, Andhra Pradesh, Orrisa, West Bengal, Maharashtra, Assam and Tripura.

LITERATURE REVIEW

(Vinayagamoorthi, 2017) The author has focused on the exports contribution of the coir fibre and coir products, different schemes and programmes for the development of the coir Industry. The research paper has also highlighted the advantages and challenges of the coir industry in India.

(Poornimadevi, 2017) The study focuses on the growth and development of the coir industry in the Coimbatore and highlights the major problems faced by the coir industries. The development is depend on the coir board,

MSME Ministry. The research suggests to bring the more efforts on the research on the production of value added products of the coir.

(Maheshwari, 2018) The author has analysed the exports of the coir industry from 2013 to 2018 of different coir products and overall performance of the whole industry in India. The research paper has concluded that coir is major player in the international trade and responsible for the country's economic development and government is very active in supporting the coir industry.

(S.Vennilaashree, 2018) The research paper focuses on the government's support to the coir board for undertaking the various activities related with coir industry. Data shows the plan expenditure and allocation of funds. The research paper further highlights the production of coir in India of last six years and employment opportunities.

(Parida, 2019) The Authors have highlighted the health problems of the workers which work in the coir industry and according to the research most of the workers are very experienced and earn monthly income of 5000 Rs to 7000 Rs. The major problems occur when the workers have to make coir fibre which is very hardworking process and done in the noisy and dusty environment so the workers develop many breathing problems. Another issues such as hearing problems, body pains and feet sores.

(PTI, 2019) In one workshop of coir many entrepreneurs complained about the issues related with coir industry which includes not getting registration done, problems in obtaining registration licence, loan issues etc. In response to these problems the minister of finance and coir Mr. FM Thomas Isaac assured that support will be also given to the private sector and units and these problems will be solved as private units will boost the industry more.

(FE Bureau, 2019) Kerala alone holds more than 80% of exports of coir products, to support the coir industry 1300 Rs. Crore package is given to allot funds to the sector and around 100 coir mills capacity have been increased to meet the further demand of the exports and 1000 additional automatic spinning machines added to make the spinning process fast.

(A, 2020) Due to Covid 19 lockdown the coir sector in the Kerala suffered loss of around Rs. 240 crores however gradually it is coming back on track when exports are concerned the units of coir industry have restarted the production of goods with 50% workers initially and sending exports to US and European Countries thus coir industry is gradually coming back on the track.

(Paul, 2020) Coir sector is the oldest of other industries in the India and to show this journey of 200 years of coir sector, the government has decided to set up a museum which is focused to showcase the history of coir, development and future of coir and for this 4 crores have been allotted to the museum community. This will be the first museum which will show the heritage of coir and machinery equipment etc.

(Capital live, 2020) The article has come up with the data of exports of coir industry which shows coir products contributes 33% of the total exports done by India and breaks the record in the year 2019-2020 i.e. Rs. 2757.90 crores which is highest among the past years exports.

OBJECTIVES OF THE STUDY

To evaluate the role of coir board and MSME in developing coir industry.

To analyse the performance of coir industry with reference to exports and production.

To identify the role of coir industry in employment generation.

To identify the challenges faced by the coir industry.

RESEARCH METHODOLOGY

The research has been done with the secondary data sources from the MSME Annual Reports. To draw the conclusion other supporting data from the coir board's website has been taken. The data reports of the previous five years have analysed.

COIR BOARD

Coir board is a statutory body established under the ministry of MSME, Government of India under the coir industry act, 1953. The following are the functions of the coir board,

Promoting the exports of coir and its products.

Solve the problems of the workers of the coir industry.

Provide employment on large scale to rural and poor workers.

Advice the units in all matters related with coir.

Market the products.

Fixing the standards of the products.

Collecting statistics related with the coir.

Research and Development activities of coir.

Regulate and supervise the quality of products.

DATA ANALYSIS AND DATA DISCUSSION

Role of Coir Board and MSME in developing the coir industry

Every year MSME Ministry provides the funds to the coir board for its various activities,

Budgetary Support by MSME

Year	Funds given- plan	Funds given- non plan
2014-15	38.58	26.60
2015-16	31.55	23.73
2016-17	35.04	35.70
2017-18	58.89	-
2018-19	81.93	-
2019-20	64.43	-

Schemes for Coir Industry

CVY-Coir Vikas Yojana

For the growth and development of coir industry major scheme implemented is coir vikas yojana which is focused to develop the coir industry and there are five programmes which are small schemes under CVY, these schemes and programmes are as under,

Science and Technology

This is based on the research and development activities of the coir sector to bring new technologies, modern technologies etc. for this there are two research centres 1. Central coir research institute Alleppey, Kerala 2. Central institute of coir technology Bengaluru, Karnataka. These two work for the advancement of coir industry and conducts various workshops, seminars for the applications of R&D efforts.

Skill upgradation and Mahila coir Yojana

The aim of these two programmes is to develop the skills in the workers and provide training to the workers. Various training institutes are associated with the industry and conducts many training programmes. Under mahila coir yojana women are given employment, skill training and financial assistance to encourage the women in the coir industry.

Export Market Promotion

MSME organizes International buyer seller meet programmes and international fairs in which coir industry units are guided and encouraged for the exports. Various kinds of incentives and promotion is given to boost the exports. It also encourage the small exporters to register for the coir exports.

Domestic Market Promotion

At national level also there are 30 showrooms and sales board for marketing coir goods in the whole country and encourage the public to buy the coir products.

Welfare of the workers

Workers of the coir industry are given the many incentives like insurance schemes are given which covers the accidental insurance schemes etc.

COIR UDYAMI YOJANA- CUY

This is credit linked subsidy scheme which is for the set-up of coir unit and assistance is provided by the MSME. The one who wants to setup or register for new unit under the coir industry are given the benefits of this scheme.

Export data of Coir

year	Quantity in metric ton	In lakh Rupees
2014-2015	626666	163033.77
2015-2016	752020	190142.52
2016-2017	957045	228164.82
2017-2018	1016564	253227.84
2018-2019	964046	272804.59
2019-2020 up to December 2020	764000	210000.00

Source: MSME Annual Reports

Top 5 Countries which import coir and its products from India

No.	Country	Percentage of exports %
1.	China	36.75
2.	USA	12.68
3.	Netherlands	10.06
4.	South Korea	7.80

5.	UK	2.30
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Source: MSME Annual Reports

Coir Production

Year	Coir fibre production in metric ton
2014-15	542000
2015-16	549300
2016-17	556900
2017-18	559400
2018-19	749600
2019-2020 up to December 2020	567000

Source: MSME Annual Reports

There is increase in the quantity of coir production every year at a constant rate and value has also increased gradually, in the year 2018-19 it is 272804.59 coir exported of 964046 metric tons. Coir industry is moving ahead with increasing its exports in the international market. Major three countries which import coir includes China, USA and Netherlands.

Till December 2019 the production of coir fibre was 567000 metric ton. The production also goes steadily increasing. According to the data in the year 2018-19 there was highest production with 749600 metric ton. From the year 2014 to 2018 the coir production was stable and there was no major jump however, in the year 2018-19 the major jump is seen in the production of coir which is 749600.

Employment Generation – State wise data

State	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Kerala	470788	472100	472961	474590	475077	475080
Tamil Nadu	125937	127420	129803	130862	132443	132445
Karnataka	30338	30440	30872	31159	31365	31365
Andhra Pradesh	52946	53825	54477	54670	55455	55455
Odisha	17210	17535	17760	18135	18421	18420
Other	20542	20650	20876	20965	21031	21180

Source: MSME Annual Reports

Kerala and Tamil Nadu are the centres of the development of coir and major units works there so higher employment is seen in the both states. Highest employment is seen in the Kerala in the year 2019-20 which is 475080. In other states like Karnataka, Odisha and Andhra Pradesh it is comparatively less.

CHALLENGES OF THE COIR INDUSTRY

Competition

The coir industry is facing tough competition against the other natural fibres and synthetic fibres so use of coir is replaced with the other cheap fibres. Another countries which produce coir like Sri Lanka Vietnam are also giving the competition to India.

Workers Safety

Workers safety is another big challenge for the industry as coir industry is worker and labour oriented industry and workers health is badly impacted in working with the coir fibre so necessary steps should be taken for the health safety of the workers.

Shortage of Raw materials

China and other few countries import only coir fibre and prepare the products in their countries thus in India there is shortage of coir fibre raw materials and unable to meet the demand of the other coir products.

Migration of workers

There is migration of workers seen in the previous years that workers leave the coir industry and shift to another industries so reasons of the migration can be low salaries, health of the workers etc.

CONCLUSION

Coir Industry plays very crucial role in the development of the country. It generates the employment opportunities for the rural and poor workers and help them in the training. The coir industry has the major share in the exports of the country. There is huge demand of the coir products domestically as well as internationally. Coir Board and Ministry of MSME works well for the development of the industry. The production of the coir is also increasing day by day so with the proper management of the raw material coir industry can get more success. Coir industry is totally based on the workers so extra care should be taken

towards the workers. Challenges are fewer so by overcoming these challenges coir industry can efficiently work and utilize its full capacity.

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