

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

STARRED QUESTION NO:577
ANSWERED ON:15.05.2007
COIR INDUSTRY
Ravindran Shri Pannian

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) whether coir industry is facing difficulties and some units are on the verge of closure in the country, particularly in Kerala;
- (b) if so, the details thereof and the steps taken to remove these difficulties, State-wise and Union Territory-wise;
- (c) whether the Government has received any representations from the State Governments including Kerala in this regard; and
- (d) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a) to (d) A statement is laid on table of the House .

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 577 FOR ANSWER ON 15TH MAY, 2007 REGARDING 'COIR INDUSTRY'

(a) & (b) No incidence of closure of Coir unit has specifically come to the notice of the Government, recently. However, in 2004-2005 Coir Industry in Kerala had experienced some shortages of raw material for manufacturing coir product as a consequence of drought and mite disease that affected the production of coconuts. Shortage of raw material was met by sourcing from the neighbouring coir producing states. At the request of the Government of Kerala, the Government of India had also permitted duty free import of coir fibre from the neighbouring countries for one year starting September, 2004. With a view to assisting the coir sector in increasing production of coir products, enhancing its productivity etc., the Coir Board (Statutory Organization set up under the Coir Industries Act, 1953), has been implementing a number of schemes (details given in Annexure) for which annual budget allocation is provided by the Ministry of Agro and Rural Industries. As a result of concerted efforts of Coir Board, all major growth parameters like production, employment generation and export have been showing an increasing trend during the past several years, as detailed below:

(Production, Export in Metric Tonnes)

(Employment in Lakh)

2002-03 2003-04 2004-05 2005-06

Production	353700	364000	385000	410000
Export	84183	102253	122927	136027
Employment	5.78	5.86	6.06	6.22

II. 25 Coir clusters covering 12 States (including 4 clusters in Kerala) have also been approved in June & October 2006 for development under the Scheme of funds for Regeneration of Traditional Industries(SFURTI) .

III. In addition, Coir Board is formulating a new Scheme to rejuvenate, modernise and upgrade the technology of Coir Industry during XI plan by inducting latest machinery, improving the productivity and quality, enhancing the utilization of husk, generating employment and enhancing the earnings of workers and small scale producers of Coir.

(c) & (d) The Ministry of Agro and Rural Industries had been receiving from time to time representation from Government of Kerala on issues like reintroduction of Minimum Export Price (MEP) and Purchase Price Enforcement Scheme (PPES), Rebate Scheme etc. Government of Kerala was informed that there is no proposal to introduce these schemes. A representation was received from Government of Kerala seeking additional central assistance for Coir Board's Scheme titled " Mahila Coir Yojana", for clearing claims of the State Government under the Market Development Assistance Scheme (MDA) and adoption of National Coir Research and

Management Institute

(NCRMI), Thiruvananthapuram of State Government by the Government of India . This was considered and additional funds were provided in the Revised Estimates of the Coir

Board for 2005-2006 for Mahila Coir Yojana and MDA. With regard to adoption of the NCRMI , the State Government was informed about Central Government's inability to do so owing to the fact that there are already two Research Institutes under the Coir Board one at Alappuzha , Kerala and another at Bangalore with full funding support from the Central Government. A representation has also been recently (July, 2006) received from Government of Kerala seeking reintroduction of rebate scheme as the Coir co-operatives were incurring losses in Kerala. This was considered in the Ministry of Agro and Rural Industries and the State Government was informed that MDA scheme allows more flexibility than the Rebate scheme for promotion of coir products and needs to be publicized effectively.

ANNEXURE

ANNEXURE REFERRED TO IN PARTS (a) & (b) OF THE STATEMENT REFERRED TO IN PARTS (a) to (d) OF THE REPLY TO THE LOK SABHA STARRED QUESTION NO. 577 FOR ANSWER ON 15TH MAY, 2007 REGARDING "COIR INDUSTRY"

With a view to assisting the coir sector in increasing production of coir products, enhancing its productivity, etc., the Coir Board, has been implementing the following programmes/schemes:

(i) For development of production infrastructure financial assistance is provided for setting up new coir units at the rate of 25 per cent of the cost of machinery, subject to a maximum of Rs.1.5 lakh.

(ii) Financial assistance for promoting domestic market for coir through publicity measures, Market Development Assistance to units in the cooperative and public sector, participation in trade fairs and exhibitions, maintenance of Coir Board Showrooms & Sales Depots to supply quality products at standard prices.

(iii) Training women artisans in spinning under the "Mahila Coir Yojana " which also provides subsidy of 75 per cent of the cost for purchase of (coir spinning) ratts.

(iv) Entrepreneur Development Programme and Quality Improvement Programme to promote enterprises and instill quality consciousness respectively.

(v) Intensification of research and development efforts for introducing new technologies for extraction and processing of coir fibres, development of machinery, product diversifications, introduction of new products etc.

vi. A scheme called "Production Enhancement Linked Coir Workers Welfare Scheme was implemented on experimental basis during 2005-2006. The scheme envisaged construction of worksheds, common facility centres, community hall, hygienic toilet facilities, potable drinking water facilities etc. Under the Scheme, Rs. 130 lakh was provided to various states including Kerala. Coir Board is getting the scheme evaluated for introduction in XI Plan