

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3258
ANSWERED ON:30.11.2010
EXPORT SECTOR OF COIR PRODUCTS
Venugopal Shri K. C.

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether any crisis in the export sector of coir products has been reported;
- (b) if so, the details thereof; and
- (c) the action taken to vitalize the export oriented coir business sector?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI DINSHA PATEL)

(a): No, Sir. However, there have been reports of occasional scarcity of raw materials like coir fibre in the coir industry in Kerala, pushing up cost of coir products.

(b) & (c): During 2009 Kerala faced shortage of white fibre used in the coir exporting units mainly due to non availability of green coconut husk in the market, attributed to a fall in coconut price. Increasing environmental concerns, alternative use of coconut husk for firewood purpose, non-existence of adequate number of fibre extraction units and husk collection mechanism are also among the main causes for shortage of coir fibre in Kerala. However, this shortage of coir fibre in Kerala is perceptible during the season from October to December every year. The increased availability of coconuts in the market during January bring down the price of coconut fibre.

The Coir Board, a statutory body under the administrative control of Ministry of Micro, Small and Medium Enterprises, in association with the Government of Kerala has initiated several steps to improve the availability of coir fibre in Kerala. The Coir Board has facilitated the COIRFED, an apex federation of Government of Kerala to source coir fibre from Karnataka and Andhra Pradesh in addition to Tamil Nadu. The Central Coir Research Institute (CCRI), Kalavoor (Coir Board) has developed a mobile defibering machine which can be taken to the interior villages where the small quantities of husks collected can be converted into coir fibre. The first mobile defibering machine developed by the CCRI has been transferred to the Government of Kerala for popularization. The Government of Kerala have declared a subsidy up to 50% for setting up of new fibre production units in private sector and 75% in the co-operative Sector.

Recently, there have been reports of shortage of coir yarn and its high price in coir industry. The reason attributed to the scarcity of coir yarn is non-availability of skilled workers. It was reported that a large number of existing coir workers are migrating to other jobs including construction industry. In addition to this, the younger generation are reportedly not coming forward to take up jobs in the coir industry as the wages and working conditions prevailing in the coir industry have become unattractive.

To mitigate the problem of coir yarn shortage, the Coir Board has taken up the matter with the coir yarn producers of Kerala to enhance the production and fix a fair price for their produce. The Coir Board has also taken up the matter with the concerned Ministry and State Governments of Kerala, Tamil Nadu, Karnataka and Andhra Pradesh to include activities in coir sector in the Mahatma Gandhi National Rural Employment Guarantee Scheme. Also the Central Government through the Ministry of Micro, Small & Medium Enterprises has launched in March, 2008 a scheme for rejuvenation, modernisation and technological up gradation of coir industry for assisting groups of spinners and tiny/household sector to retain the workforce in the sector, by giving attractive subsidy and arranging easy bank credit through setting up of projects. This is also expected to improve the coir yarn availability.