



## A review of government initiatives for the development of the coir industry in India

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### Abstract

This study aims to provide an assessment of Indian coir industry and government initiatives for developing the coir industry in India. Indian coir industry is an important cottage industry contributing significantly to the economy of the major coconut growing States and Union Territories. Coir is one of the oldest industries in India. The coir industry employs about 5.5 lakh people in the country. The country, along with Sri Lanka, accounts for about 90% of the total global coir fibre production. The exports of coir and coir products stood at US\$ 526.31 million in 2021-22. India exports coir and coir products to more than 100 countries around the globe. During 2021-22, about 106 countries exported coir products from India.

**Keywords:** coir, industry, employment, economy, exports, schemes and infrastructure facilities

### Introduction

Coir, seed-hair fibre obtained from the outer shell, or husk, of the coconut. Coir is a rough material made from coconut shells which is used to make ropes and mats. Coir or Cocos – Nature's wonder fibre is extracted from the protective husk of the coconut. This golden fibre is spun in a breath – taking range of textured yarn and woven into a spectrum of colourful floor covering. The husks separated from the nuts are retted in lagoons up to ten months. The retted husks are then beaten with wooden mallets manually to produce the golden fibre. The fibre is later spun into yarn on traditional spinning wheels called "Ratts", ready for dyeing and weaving into myriad shades of floor coverings. A score of varieties/grades of coir yarn are produced and each variety is associated with certain specific characteristics, used for industrial, agricultural and domestic applications.

### Coir industry in India

Coir Industry is an Argo based rural industry providing employment to over 7 lakhs workers in the major coconut producing states of the country. Coir is one of the oldest industries in India. Indian coir industry is an important cottage industry contributing significantly to the economy of the major coconut growing States and Union Territories, i.e., Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Goa, Orissa, Assam, Andaman & Nicobar, Lakshadweep, Pondicherry, etc. About. 5.5 lakh persons get employment, mostly part time, in this industry. The exports from this industry are around Rs. 70 crores. Coconut husk is the basic raw material for coir products. Around 50 per cent of the available coir husk is used to produce coir products. Hence, there is scope for growth of coir industry.

The government of India plan for coir industry aimed at increased utilisation of coconut husk for production of coir fibre, growth of the domestic market, strengthening of research and development to find out new uses of coir fibre especially in the areas of geo-fibre, fire retardant, cement and gypsum polymer development, acquiring of new technology like PVC-tufted coir products, encouragement to cooperativisation and providing social welfare, civic amenities and medical facilities to coir workers. Emphasis have laid on mechanisation in a phased manner without

affecting employment to make Indian coir products competitive in the export market. Modernisation of coir units has been envisaged by providing incentives for installation of modern equipments to make coir industry more competitive in the export market. Special training programmes have been formulated for women artisans. Improved modern treadle ratts have provided to trained women artisans to increase employment and earnings. Medical facilities, creche for children of coir workers, model coir villages for coir workers and social welfare schemes have implemented by government.

Emphasis has been given on developing devices/equipment/machinery through R&D to reduce drudgery and to improve productivity of coir workers. Development of improved variety of ratts and looms would help in improving the production of coir yarn spinning, coir mats, etc. In order to boost exports, the scheme of cooperative publicity/programme in the export markets have implemented. India accounts for more than two-thirds of the world production of coir and coir products. Kerala is the home of Indian coir industry, particularly white fibre, accounting for about 60 per cent of coconut production and over 80 per cent of coir products. Although India has a long coastline dotted with coconut palms, growth of coir industry in other coastal States has been insignificant. Not more than 50 per cent of the coconut husks is utilised in the coir industry, the remaining being used as fuel in rural areas. The development programmes so far undertaken aimed at revitalisation of coir cooperatives, improvement in quality and products diversification. Efforts were also made for exploring wider export markets for coir and coir products. Judged from the increase in production and employment, the progress has been rather slow and exports in physical terms have remained mere or lets static.

### Government initiatives for developing the coir industry in India

For developing the coir industry in India, the Coir Board has launched schemes such as the Coir Vikas Yojana (Coir Development Scheme), Skill Upgradation and Mahila Coir Yojana, Coir Industry Technology Upgradation Scheme. The Export Market Promotion scheme and Domestic Market

Promotion scheme focuses on improving exports and domestic sales of coir and coir products.

### **1. Coir industry technology upgradation scheme (CITUS)**

The main objective of the CITUS is to assist entrepreneurs in the upgradation and procurement of eligible plants and machinery. Some of the other objectives of this scheme are to establish state-of-the-art processing units, enhance the utilization of raw materials, create employment opportunities and attract newer entrepreneurs in the coir industry. This way, the Coir Board aims to improve the productivity and quantity of coir products.

#### **2. Objective**

1. To create more employment opportunities, especially for women in rural areas.
2. To attract new generation entrepreneurs to the industry.
3. To provide modern infrastructure facilities to the production units resulting in improvement of productivity and quality.
4. To support the establishment of new 'State of the Art' Coir Processing Units.
5. To spread of the industry to potential areas.
6. To support the production of high value customer-oriented products.
7. To promote the enhanced utilization of available raw material.
8. To make the Coir Industry integrated and competitive with modern technologies.
9. To facilitate the adoption of eco-friendly production techniques.
10. To achieve the target of a pollution free coir industry with technological advancements.
11. To modernise the existing coir units.
12. To promote the development and installation of information technology including enterprise resource planning (ERP).

### **3. Scheme of fund for rejuvenation of traditional industries (SFURTI)**

Launched in 2005 by the Ministry of MSME, the SFURTI scheme aims to make the traditional industries in India more competitive, market-driven, productive, profitable and employment generation capable, especially in the rural parts of India.

### **4. A scheme for promotion of innovation, rural industries and entrepreneurship (ASPIRE)**

The ASPIRE scheme aims to establish a network of technology centres and startup incubation centres in the rural parts of India. For the development and promotion of coir industry, the Ministry of MSME and the Coir Board established the Livelihood Business Incubation (LBI) models for the coir industry.

### **5. Nodal agency of coir**

Coir Board, Kochi is the Nodal Agency. The component is implemented through the Regional/ Sub-regional offices of the Coir Board. Technical are being provided by Central Coir Research Institute (CCRI), Kalavoor and Central Institute of Coir Technology (CICT), Bangalore and other institutes engaged in the development and promotion of coir industry. The component has been monitored by the Coir

Board and the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India.

### **6. Innovative R&D activities on coir**

Innovative R&D activities on coir are carried out under the Board by the two research institutes: -

1. The Central Coir Research Institute,
2. Kalavoor and Central Institute of Coir Technology, Bangalore.

The Central Coir Research Institute, Alleppey was established in 1959 and the Central Institute of Coir Technology, Bengaluru in 1980. Whereas CCRI, Kalavoor concentrates on research concerning development of ecofriendly technologies for quality improvement of coir fibre, utilization of coir pith, effluent treatment, development of new machinery etc. CICT, Bengaluru concentrates mainly on technology development on coir composites.

Identification of new user areas for utilization of coir and coir waste (coir pith), modernization of production infrastructure for elimination of drudgery in manual operation thereby attaining higher productivity and improvement in quality are integral parts of the research efforts of both the Institutes and research investigations have led to development of several new technologies for the coir industry. Extensions of the results of the technologies developed/research at the laboratory level are scaled up for application at the field level together with extension of testing and service facilities to the coir entrepreneurs & exporters, carrying out of research activities with the funding support from reputed institutions are also envisaged under the programme.

Collaborative research with research organizations, institutes, industries, universities in India and abroad, having proven records on varied applications of coir, development of new products, new machinery, product diversification, development of environment friendly technologies, technology transfer, incubation, testing and service facilities are the areas which are given priority consideration. Commercialization of new products/technologies and machine developed by the R&D institutes and registering for Patent Right of these research outcomes and proper documentation etc., are also to be done. As part of the Government of India decision to rationalize all the Schemes, the stand-alone scheme of Plan S&T has brought under the umbrella Scheme of Coir Vikas Yojana.

The programmes under the S&T activities for the period 2017-18 to 2019-20 are implemented under the following components: -

1. Development of machinery and equipments.
2. Modernization of Production Processes.
3. Product Development and Diversification.
4. Technology transfer, Incubation, Testing and Service Facilities.
5. Development of Environment Friendly technologies.

### **Government body**

#### **Coir board of India**

The Coir Board of India was established in 1953 for the promotion and development of the coir industry. The main functions of the board are to promote development of the coir industry, promote of export of coir yarn and products,

undertake and encourage scientific, technological and economic research, collect and maintain statistics, improve the marketing of related products and advise the Government of India in growth related matters.

### Employment

The industry is a good source of employment in the rural economy of the country, especially for the women population. The coir industry employs about 5.5 lakh people in the country. Kerala, accounting for about 61% of India's coconut production, is also the major coir and coir products producing state.

### Coir Industry and Exports

It contributes significantly to the economy of the country's major coconut producing states, i.e., Maharashtra, Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Goa, Assam, Orissa, Andaman & Nicobar, Pondicherry, Lakshadweep, etc. India, the major global coconut producer, accounts for more than two third of the world's coir and coir products production. The country, along with Sri Lanka, accounts for about 90% of the total global coir fibre production. India produces about 280,000 metric tonnes (MT) of coir fibre annually.

India produces coir fibre, yarn, mats, mattings, rugs, non-woven products, geotextiles, piths and other coir products. The coir pith, fibre and mats account for the majority of the coir exports out of India in terms of quantity with a share of 56.38%, 32.35% and 7.52% in 2021-22, respectively. In terms of the exported value, the percentage share of coir pith, tufted mats and fibre was 52.05%, 23.07% and 14.67%, respectively, during 2021-22.

### Export trends of coir and coir products

India exports coir pith, coir fibre, tufted mats, handloom mats, powerloom mats, coir yarn, coir geotextiles, handloom matting, powerloom matting, rubberized coir, rugs, etc. Coir pith is the largest exported coir product from India in 2021-22 with exports at US\$ 274.97 million. The exports of coir and coir products stood at US\$ 526.31 million in 2021-22. During the same period, the export quantity was 1.23 million metric tonne (MT), an increase of 6.15% YoY. Over the period of 10 years (between 2011-12 to 2020-21), the exports of total coir and coir products from India has seen a CAGR of 15%. During March 2022, India's coir and coir products exports stood at US\$ 56.21 million, During April-October 2021, India's coir and coir products exports were Rs. 2,589 crore (US\$ 327 million). This was a 30% increase from the same period in the previous year. The quantity of exports during April-October 2021 was 0.73 million MT, an increase of 13.5% from the same period in the previous year.

### Export destinations of coir and coir products

India exports coir and coir products to more than 100 countries around the globe. During 2021-22, about 106 countries exported coir products from India. Among these, USA, China, South Korea, the UK Spain, Australia, Netherlands, Italy, Germany, Canada, Belgium, France and Israel are some of the top importers. USA is the largest importer of coir and coir products from India, accounting for 16.9% of the total quantity and 29.79% of the total value exported from India in 2021-22. China being the second largest importer, accounted for 19.82% of the value and

37.6% of the quantity during the same period. For the coir pith products, the biggest importers during 2020-21 were USA Netherland, South Korea, China and Spain (out of a total 94 countries), accounting for 66% of the total exports from India. China is the largest importer of coir fibre from India, contributing to 96% of the total quantity and 95% of the total value exported out of the country in 2020-21. India exported coir tufted mats to about 77 countries in 2020-21 and out of these USA, the UK, Germany, Italy and Netherlands accounted for 80% of the export quantity. With 60% of the imports in terms of value and quantity, USA was India's largest top export destination during 2020-21.

### Conclusion

The development of coir sector contributes towards the sustainable development agenda in terms of creation of environment friendly products, its application for domestic use along with the usage in housing, building, agriculture, horticulture, and infrastructure production are significant. The world population is becoming more and more conscious about the need of preserving the nature with an increasing number of people opting for environment friendly products. It is therefore important that, a major collective initiative may be taken up to promote the cause of coir by identifying the thrust areas involving a quantum jump in coir sector development. The government should prompt initiatives to popularise value added coir products and emphasize on innovations on use of coir products. The Government of India may facilitate the coir sector to actively participate in the international fairs, delegations abroad, Buyer Seller Meets etc. to tap the vast potential available for coir products in the world market.

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