

**CONTEMPORARY ISSUES OF COIR INDUSTRY WITH REFERENCE TO  
COIMBATORE DISTRICT**

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**Abstract**

Coir industry in India has a very long and glorious past. It continues to play a prominent role in the national economy of India. "Return to nature" concept has now brought intensive affinity for coir and coir products all over the world. "Some people say that the coconut palm came from Ceylon. Other says that the coconuts drifted in the sea from Polenisia and found new homes in many parts of the world.Objectives of the study, to analyse the problem (production, marketing, infrastructural, financial) faced by the coir industry owners in Coimbatore District of Pollachi taluk. Methodology of the study, In this study we have used descriptive statistics and Garrett ranking techniques analysis. We have selected a convenience sample of 150 respondents in Coimbatore district of pollachi taluk. We have take 150 samples in Coimbatore district of pollachi taluk. We have used questionnaire model for collecting data from the respondents. Data collection period from January 2020 to February 2020. Suggested this study, Zero wastage concept aiming at utilization of coir pith and low grade fibre for the manufacture of low value products to be evolved to cater to the domestic market in order to compete with the import of cheap substitute products. Conclude this study, The study highlights the problems confronting the industry of the study area that are not amenable to any quick-fix solutions. But improving value addition and access to technology and information would solve most of their operational problems.

Key words: Interest, Labour, High commission charges, etc.,

**INTRODUCTION**

India ranks third on world coconut production and in recent times became the largest producer of coconut. As the expansion of coconut cultivation, coir industry has picked up in Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Assam, Tripura, Pondicherry and the Union Territories of Lakshadweep and Andaman & Nicobar Islands through the efforts of coir board. The production and processing methods in coir industry still continue to be mainly traditional. For instance, spinning is mainly carried out on traditional methods which

require repeated walking, forward and backward. The estimated production of coir fibre in the country during the year 2015-16 was 5,49,300 M.T. A total quantity of 7,52,020 M.T. of coir and coir products valued at Rs.1,901.42 crores was exported from the country during the year 2015-16 as against an export of 6,26,666 M.T. valued at Rs.1,630.33 crores during the previous year. There is an overall increase of 20 per cent in terms of quantity and 16.6 per cent in value over the export achieved during the previous year. The export target fixed for coir and coir products by the Ministry of MSME, Government of India for the year 2015-16 was Rs.1500 crores. The achievement during the year, which works out to 127% of the target fixed by the Government of India, is an all time high in the history of Indian coir industry.

The modernization process in the coir industry has been very slow especially in the spinning field and product manufacturing sector due to various socio-economic and political factors. The threat of labour displacement due to mechanization is a major reason for the slow progress. Although a few fully mechanized units of coir production have been set up for export purpose, the same handmade coir products also enjoy a price premium for some products and it cannot be ignored altogether.

The main objective of developing coir industry is to diversify and expand production and trade of value added products through better utilization of abundantly available raw material, keeping in mind the market trends in both domestic and international markets. Apart from that there is a greater support to provide employment opportunities and to improve socio-economic conditions of the people. The industry is a source of livelihood for a large number of people who generally belong to the socioeconomically weaker sections of the society in many producing States. This is an agrobased sector with export potential, which can provide employment particularly to the rural folk at affordably low levels of investment. Development of this industry will in turn help to improve the livelihood and food security of the people engaged in it. The main challenge of coir industry in domestic market today is demand generation and market development. So far the application of coir products remains as a floor covering material. Actually USP of coir is an eco-friendly product for various applications which needs to be strengthened. There is scope to improve the marketability by blending the coir fibre with other natural fibres without losing the

benefits of eco-friendly product. In the face of competition mainly for synthetics natural fibres suffered in global and domestic markets.

## **I.2. COIR INDUSTRY IN TAMILNADU**

The total area of the coconut cultivation in Tamilnadu is 459.74 thousand hectares and Production is 6171.06 Million nuts and the productivity is 13,423 nuts per hectare against all India average productivity of 10,614 nuts per hectare in the year 2015-16. Tamilnadu is the second largest producer of Coir fibre in the country after Kerala. There are about 4,150 units in the State out of 15,976 units in the country in the year 2016. In the brown coir fibre sector, Tamilnadu occupies the first place as being the single largest producer of brown fibre with 65% of total production in India. Brown coir is used for manufacturing fibre, coir yarn, coir rope, coir mattings, curled coir and rubberized coir mattresses, pillows etc. The brown fibre is cheaper and less time consuming when compared to traditional fibre manufacturing process.

## **I.3. STATEMENT OF THE PROBLEM**

Coir industry in India is an agro-based, village and cottage industry. Despite of favourable contribution to employment and income of the people and country's economy in innumerable ways, the coir sector does not get the required support from the government, banks, financial institutions and other lending institutions in order to provide quality goods and services, to meet the competition, to create demand and to attract customers in both National as well as International markets. Even though the Coir Sector has potentials in India, they are facing a number of problems. Coir units are unable to compete with other small scale industries due to non availability of modern technology. Most of the coir units are using traditional methods and rats to the coir production. The traditional methods and techniques lead to low productivity. Thus, Poor labour productivity, machine breakdowns, low rate of demand, power cut problems and higher rate of power charges are the chief production problems of coir units. Further, marketing of finished products is another major problem faced by the coir units. A number of marketing problems faced by coir industry like transport expenses, involvement of intermediaries, middlemen charges, market rate fluctuations and inadequate storage facilities for coir and coir products are some of the hardships faced by the industry.

#### I.4. OBJECTIVES OF THE STUDY

To analyse the problem (production, marketing, infrastructural, financial) faced by the coir industry owners in Coimbatore District.

#### I.5. Methodology of the study

Descriptive research design used in this study. Primary as well as secondary data have been used in this study. This study based a convenience sample of 150 respondents in Coimbatore district of pollachi taluk. The researcher take 150 samples in Coimbatore district of pollachi taluk. Primary data collected through structured questionnaire for collecting data from coir industry owners'. The data is collected from individuals. The questionnaire contains production, marketing, infrastructural, finance and labour problems questions that were based on objectives fixed. The responses were collected based individuals opinion. The responses were collected from Coimbatore district of Pollachi taluk. The percentage analysis and Garrett ranking techniques was used in this study. Data collection period from January 2020 to February 2020.

#### I.6. ANALYSIS AND INTERPRETRATION

TABLE NO.1

Do you have face any labour problem?

Problem	No. of Respondents	Percentage
Yes	129	86
No	21	14
	150	100

Source: Primary Data.

It is clear that, 86 per cent of the respondents have opined that problem faced by the coir industry owners, and rest of the respondents only not faced problem, while production and marketing of coir in Coimbatore district.

**TABLE NO.2**  
**PRODUCTION PROBLEM FACED BY COIR INDUSTRY OWNERS**

S.No.	PRODUCTION PROBLEM	TOTAL SCORE	MEAN SCORE	RANK
1	Non-availability of materials,	3080	4.23	1
2	Shortage of materials	3020	4.03	3
3	Poor quality of raw materials	3072	4.10	2
4	High cost of materials.	2139	2.85	6
5	Shortage of power	2180	2.91	4
6.	High cost of Machinery	2256	3.01	5

Source: Primary Data.

The above table states the production problems faced by coir industry owners in Coimbatore District. Non availability of materials has scored first rank with mean score of 4.23, Shortage of materials has scored second rank with mean score of 4.03 Mean while, Poor quality of raw materials has scored third rank with mean score of 4.10, and high cost of machinery has scored with mean rank of 3.01.

**TABLE NO.3**  
**INFRASTRUCTURAL PROBLEM FACED BY COIR INDUSTRY OWNERS**

S.No.	Infrastructure Problem	TOTAL SCORE	MEAN SCORE	RANK
1	Lack of power supply	3025	4.23	1
2	Lack of water facilities	2804	3.74	4
3	Lack of road facilities	2747	3.66	5
4	Heavy Transport Cost	2859	3.81	2
5	Lack of Communication	2825	3.77	3
6	Not availability of canteen facilities	3171	3.23	6

Source: Primary Data.

The above table states the Infra struastural problems faced by coir industry owners in Coimbatore District. Lack of power supply has scored first rank with mean score of 4.23, Heavy Transport cost has scored second rank with mean score of 3.81 Mean while, Lack of Communication expenses has scored ffth rank with mean score of 3.77, and Non availability of canteen facilities has scored with mean rank of 3.23.

TABLE NO.4  
LABOUR PROBLEM FACED BY COIR INDUSTRY OWNERS

S.No.	Labour Problem	TOTAL SCORE	MEAN SCORE	RANK
1	Scarcity of workers during peak agri season	50950	67.93	1
2	Lack of industrial work culture	32476	43.30	4
3	Absenteeism	32324	43.10	5
4	Absence of workers' union	43914	58.55	2
5	Hesitation to undergo training	33652	44.87	3
6	Mobility of workers from unit to unit	32278	43.04	6
7	Frequent advance sought	30806	41.07	7

Source:Primary Data.

The above table states the problem faced by the labourers in coir industry, Scarcity of workers during peak agri season has scored first rank with score of 67.93, Absence of workers' union has scored second rank with score of 58.55, Hesitation to undergo training has scored third rank with score of 44.87, Lack of industrial work culture has scored fourth rank with score of 43.30, Absenteeism has scored fifth rank with score of 43.10, Mobility of workers from unit to unit has scored sixth rank with score of 43.04 and Frequent advance sought has scored last rank with score of 41.07.

**TABLE NO.5**  
**MARKETING PROBLEM FACED BY COIR INDUSTRY OWNERS**

S.No.	Marketing Problem	TOTAL SCORE	MEAN SCORE	RANK
1	Lack of Government Support	134	3.05	9
2	No direct contact with findustrial user	572	3.81	8
3	Lack of Storage facilities	622	4.15	6
4	Heavy Transport Cost	616	4.11	7
5	Lack of Finance	686	4.57	1
6	Heavy Commission	646	4.31	2
7	Lack of Storage facilities	643	4.29	3
8	Inadequate Market Information	639	4.26	4
9	Sales man expenses	625	4.17	5
10.	Involvement of agent	134	3.05	9
11	market rate fluctuations	572	3.81	8

Source: Primary Data.

The above table states the marketting problems faced by coir industry owner. Lack of Finance has scored first rank with mean score of 4.57, Heavy Commission has scored second rank with mean score of 4.31. Mean while, Sales man expenses has scored ffth rank with mean score of 4.17, No direct contact with findustrial user and market rate fluctuations has scored eighth rank with mean score of 3.81, Involvement of agent and Lack of Government Support has scored last rank with mean score of 3.05.

**TABLE NO.6**  
**FINANCIAL PROBLEM FACED BY COIR INDUSTRY OWNERS**

S.No.	Financial Problem	TOTAL SCORE	MEAN SCORE	RANK
1	Timely non-available of borrowings	3236	4.31	1
2	High rate of interest	2997	4.00	3
3	Bank's rigid procedures	2863	3.82	5
4	Lack of credit worhiness	3132	4.18	2
5.	Inadequate sanction loan	2984	3.98	4

Source: Primary Data.

The above table states the financial problems faced by coir industry owners in Coimbatore District. Non availability of materials has scored first rank with mean score of 4.23, Shortage of materials has scored second rank with mean score of 4.03 Mean while, Poor quality of raw materials has scored third rank with mean score of 4.10, and high cost of machinery has scored with mean rank of 3.01.

#### I.7. SUGGESTIONS OF THE STUDY

1. Since the coir fibre is the chief raw material for the production of coir and coir products, the state government as well as the Coir Board may encourage the owners' to go for another stage of coir production involving the manufacture of value-added coir products.

2. The high cost of production of fibre may greatly be reduced if technological up gradation is favoured in the areas such as dehusking and quality of fibre. Low cost machines of reasonable productivity have to be introduced to replace the process of dehusking done manually now. To improve the quality of the fibre and cost reduction through modernization and professionalism are the need of the hour.

3. In order to make them fully informed on the current trends of the industry and to provide them a platform to discuss the day-to-day problems confronting their coir units, the entrepreneurs of the study area may be encouraged to form a manufacturer's guild. The DIC and non-governmental organizations have a role to play in this regard.

4. The months of January-April being the peak season for coir fibre, that the commercial banks and financial institutions should conduct "Coir Loan Melas" to meet their working capital requirements during the period.

5. To overcome the problem of the disposal of coir pith which causes environmental hazards occupying huge space in the vicinity of the coir units, the government lands (poramboke) located at far off places may be leased by the owners' of the coir units for the dumping of such coir dust.

6. In order to boost the sales of coir and coir products the government and the Coir Board have to organize more number of exhibitions in all over the country and also in abroad.



7. It is suggested that more emphasis must be given for R&D, to bring out new and innovative products for market consumption and to reduce the cost of production. There is a need to widen the production base of the coir industry. The Ministry of MSME should continue to support the Coir Board in all its programme.

8. To address the problem of inadequate finance for coir industry, the commercial banks, co-operative banks and financial institutions should conduct “Coir Loan Mealas” to meet the financial requirements of coir industry.

9. Zero wastage concept aiming at utilization of coir pith and low grade fibre for the manufacture of low value products to be evolved to cater to the domestic market in order to compete with the import of cheap substitute products .

### **L.8. CONCLUSION OF THE STUDY**

In the prevailing scenario of the industry, the present research is a humble attempt to throw light on certain specific areas of the working of the coir units located in Coimbatore District of Pollachi. The findings of the present study are not exclusive in nature, but are common to a majority of the units in India. The study highlights the problems confronting the industry of the study area that are not amenable to any quick-fix solutions. But improving value addition and access to technology and information would solve most of their operational problems. The industry has every scope to make an indelible mark in the industrial map of Tamil Nadu and could finally contribute to the economic development of the country. Eventhough the objective is learned from the study, finance is the major part of all the problejms, The solutions for the problem is left in monetary and fiscal policies of the Government.

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