Chapter - 6

THE ROLE OF GOVERNMENT AGENCIES IN THE DEVELOPMENT OF COIR INDUSTRY
6.1 AGENCY FOR THE DEVELOPMENT OF COIR INDUSTRY IN INDIA

6.1.1 COIR BOARD:

Coir board is a statutory body set up by the Government of India under an Act of Parliament (sec. 45) of 1953 for looking after the overall development of the Coir Industry. It has been entrusted with the overall responsibility of developing coir industry covering the whole gamut of coir activities in the country. The Board, presently is under the administrative control of the ministry of Industry, Ministry of Micro, Small and Medium Enterprises, Government of India. The Board is entrusted with the responsibility of motivating and guiding the private producers in the country. The Boards' functions and activities are outlined in the following pages:

Functions:

The main functions of the Coir Board under section 10 of the Coir Industries Act 1953 are given below:

1) It should be the duty of the board to promote by such measures as it thinks fit for the development of coir industry under the control of the Central Government.

2) Without prejudice to the generality of the provisions of sub-section (i) the measures referred to therein may relate to:
   a) Promoting exports of coir yarn and coir products and carrying on propaganda for that purpose.
   b) Regulating under supervision of the Central Government the production of husk, coir yarn and coir products by registering coir spindles and looms for the manufacture of coir products, licensing, exporters of coir, coir yarn and other products and taking such other appropriate steps as may be prescribed.
   c) Undertaking, assisting or encouraging scientific, technological and economic research and maintaining and assisting in the maintenance of one or more research institutes.
   d) Collecting Statistics from manufacturers and dealers in coir products and from such other persons as may be prescribed, on any matters relating to the coir industry, the publication of statistics so collected or portion thereof or extracts there from.
e) Fixing grade standards and arranging when necessary for inspection of coir fibre, coir yarn and coir products.

f) Improving the market of coconut husk, fibre, yarn and coir products in India and elsewhere and preventing unfair competition.

g) Setting up or assisting in the setting up of factories for the producers of coir products with the aid of power.

h) Promoting co-operative organization among producers of husks, fibre and yarn and manufacturer of coir products.

i) Ensuring remunerative returns to producers of husks, coir fibre and coir yarn and manufacturer of coir products.

j) Licensing of retting places and warehouses and otherwise regulating the stocking and sale of coir fibre, yarn and coir product both for the internal market and for exports.

k) Advising on all matters relating to the development of the coir industry.

l) Such other matters as may be prescribed.

3) The board shall perform its function under this section in accordance with the subject to such rules as may be made by the Central Government.

Constitution of the Board

Section 4 of the Coir Industry Act 1953 empower the Central Government to constitute the Coir Board with membership not exceeding 40. The present board, thus consists of a Chairman and 26 members representing various interests as provided under section 4 of the Coir Industry Act 1953. The various interests represented on the board are as follows:

a) Growers of coconut and producers of husks and coir yarn.

b) Persons engaged in the production of husks, coir and coir yarn and in the manufacture of coir products.

c) Manufacturers of coir products.

d) Dealers in coir yarn and coir products including both exporters and internal traders.

e) Parliament members- two members to be elected by the Lok Sabha and one to be elected by the Rajya Sabha.

f) Government of the principal coconut growing states.
g) Such other person or class of persons who in the opinion of the Central Government ought to be represented on the Board.

Section 8 of the Act empowers the board to constitute an Executive Committee and other committee for exercising any power discharging duties of the board.

The activities of the Coir Board are as follows:

1) Training
2) Research and Development
3) Co-operatisation
4) Quality up gradation.

1) Training

Imparting training with a view to developing skilled manpower to meet the requirements of the coir industry is one of the important functions of the Coir Board. Requirement of skilled manpower is on the increase with the development of Coir Industry in the various coconut-growing states. Candidates are trained in coir processing and manufacture of value added products through the various training centres and field-training units organized by these centres.

The main functions of this training centre are:

1) Impart intensive training in advanced methods of various process of Manufacture like spinning, dyeing, bleaching weaving etc.
2) Conduct refresher courses for executives in the coir industry.
3) To organize orientation training for government officials, craft teachers, technical officers, business managers of coir Co-operatives, Corporations etc.
4) Provide technical consultancy and extension services to the trade.
5) Organise field training in rural areas to train local candidates.
6) Popularise new patterns, designs and products.

National Coir Training and Design Centre (NCT & DC) was established in 1965 to offer the following training courses:

a) Advanced Training Course - 1 year duration
b) Artisans Training Course - 6 months duration
c) Coir Craft Training Course - 6 months duration
The advanced training course is intended for the middle level executives sponsored by coir manufacturers and Government Departments. The Artisan's Training Course is meant for actual coir workers already employed in coir units. Every year two batches of artisans were trained. The Coir Craft Training Course provides training to the educated and unemployed women in making handicraft items out of coir. The NCT & DC also conducts other short-term courses, intensive course and refresher courses as and when required by various State Governments. Short term training courses are conducted by the centre for training in fibre, spinning on motorized ratt, carpet weaving, matting, stitching etc. Intensive training for one week for Managers, Salesman of Coir Board's showroom and Sales Department. Entrepreneur Development Programme (EDP) is also organized and conducted by the Regional Office.

2) Research and Development

In a world where fashions and consumers preferences are fast changing traditional industries like coir, will have to keep abreast with the changes in technology, production techniques, design development and product betterment.

The overall objective of the Science and Technology schemes of the Coir Board is to undertake research investigation on various aspects of coir industry covering development of improved method of extraction of coir and processing of coir fibre and yarn, process improvement, product betterment/diversification, design development, identification of new areas for potential utilization of coir, coir waste and other areas which contribute to the betterment of the coir industry. Improvements in processing for quality betterment, high productivity and elimination of drudgery of normal operation in processing cycle are areas of special attention.

The Central Coir Research Institute, Kalavoor and the Central Institute for Coir Technology, Bangalore are the two research institutes through which the science and technology programmes of the Coir Board are implemented. The Central Coir Research Institute mainly undertakes research programme relating the white fibre sector. The Central Institute of Coir Technology is concerned with the implementation of programmes formulated for the development of the brown fibre sector.
4) Co-operativisation

The Central scheme of Co-operativisation in coir industry was introduced in August 1982 based on the recommendation of High Power Committee appointed by the Planning Commission under the Chairmanship of Shri. B. Shivaraman. The scheme is intended to assist the formation of viable coir co-operative societies and revitalization of the potentially viable and dormant societies and bringing up the coir workers under the co-operative fold, so that the quality and quantity of production improves, workers get better wages and full employment and growth of the coir industry is put on a sound footing. Another objective of this scheme is to protect the workers from exploitation by middlemen.

Components of the scheme are:

a) Share Capital assistance for the formation of new societies and revitalization of dormant societies. Assistance is by way of loan.

b) Managerial assistance for appointment of paid secretary or managers and it is by way of subsidy.

c) Assistance is given for renovation and modernization of equipments and looms. 50 per cent of assistance is in the form of subsidy.

4. Quality Upgradation

The present day consumers are highly quality conscious and inferior quality products will seldom find their way to national and international markets. Continuous improvement in the quality of coir products is essential to sustain the present demand for coir products and also for better prospects in a world which is becoming very quality conscious. There is a need to improve quality of coir goods at all levels in the industry particularly at the level of workers manufacturer and exporters. Under the quality upgradation scheme of the Coir Board, the following programmes are envisaged.

a) Quality camps

b) Common facility centres

c) In plant inspection

d) Loom sheds

e) Awards
6.1.2 FOOD AND AGRICULTURE ORGANISATION OF UNITED NATIONS (FAO):

The FAO is the most important organization which has been taking positive interest for the development of Coir in different countries. FAO has been responsible for mooting projects, supply of expertise, apart from co-ordinating the activities of some international organizations. FAO with funding support from common fund for commodities is implementing two projects in India.

Project-1: The primary object of the project is to contribute to the expansion of demand for coir fibre, yarn and coir products by improving their production position. For this purpose appropriate cost effective technique is adopted for drying fibre, yarn, softening, bleaching and fast colour dyeing of fibre/yarn and fast colour printing of coir products.

Project-2: This project aims at coir producing countries to diversify and extend production and trade of high value added coir products such as various forms and type of rubberized coir and geo-textiles, in keeping with current and future market needs.

6.1.3 THE NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION (NCDC):

The National Cooperative Development Corporation (NCDC) was established by an Act of Parliament in 1963 as a statutory Corporation under the Ministry of Agriculture. It was set up in the year 1956, to plan and promote programme of marketing processing, storage and warehousing and also to co-ordinate the activities of the State Co-operative Marketing Federation. The NCDC supports these programmes. It has already initiated a number of new schemes for which assistance is provided to the State Governments. It has been playing a very active role in the development of co-operative marketing and processing in terms of expertise and financial assistance. It has also extended its activities to the development of coir industry in Karnataka.

Functions:

Planning, promoting and financing programmes for production, processing, marketing, storage, export and import of agricultural produce, food stuffs, certain other notified commodities e.g. fertilisers, insecticides, agricultural machinery, soap,
kerosene oil, textile, rubber etc., supply of consumer goods and collection, processing, marketing, storage and export of minor forest produce through cooperatives, besides income generating stream of activities such as poultry, dairy, fishery, sericulture, handloom, coir products etc. NCDC Act has been further amended which will broaden the area of operation of the Corporation to assist different types of cooperatives and to expand its financial base. NCDC will now be able to finance projects in the rural industrial cooperative sectors and for certain notified services in rural areas like water conservation, irrigation and micro irrigation, agro-insurance, agro-credit, rural sanitation, animal health, etc.

Loans and grants are advanced to State Governments for financing primary and secondary level cooperative societies and direct to the national level and other societies having objects extending beyond one State. Now, the Corporation can also go in for direct funding of projects under its various schemes of assistance on fulfillment of stipulated conditions.

Organisation and Management

The Management vests in 51 member widely represented General Council to give shape to its policies and programmes and Board of Management with 12 members to cater to day-to-day activities. Besides its Head Office, NCDC functions through 16 Regional/State Directorates. The Managing Director is the Chief Executive. Various functional divisions look after the programmes. The field offices play an important role in project identification/formulation and oversee its implementation. NCDC is endowed with in-house technical and managerial capabilities in the areas of Cooperation, Organisation & Methods, Financial Management, Management Information Systems, Sugar, Oilseeds, Textiles, Fruits & Vegetables, Dairy, Poultry and Live stock, Fishery, Handlooms, Coir Industry, Civil Engineering, Refrigeration and Preservation to help cooperatives to identify/formulate projects and successfully implement them.

Purposes for which assistance is provided:

- Margin money to raise working capital finance (100% loan)
- Strengthening of share capital base of societies (100% loan)
- Working capital to regional/state level marketing federations (100% loan).
- Term loan for creation of infrastructural facilities like godowns, cold storages, equipment financing, purchase of transport vehicles, boats and other tangible assets.

- Term and investment loan for establishment of new, modernisation/expansion/rehabilitation/diversification of agro-processing industries.

- Subsidy for preparation of project reports/feasibility studies etc.

Schemes:

NCDC is implementing schemes for development of Cooperative Coir Sector. Financial assistance is provided for the following activities under the schemes in vogue:

1. Strengthening of share capital base/margin money assistance
2. Creation of processing facilities.
4. Purchase of transport vehicles

6.2 AGENCIES IN KARNATAKA STATE

6.2.1 Karnataka State Coir Development Corporation (Corporation)

Karnataka State Coir Development Corporation was established in the year 1985 with the main objectives of developing Coir based industries and also to act as catalytic agent in developing Coir sector in private sector. The specific reasons for the establishment of this corporation are: to put coir operations on a commercial scale, to allow it to concentrate on production programmes, to generate employment opportunities to rural artisans, to provide access to institutional credit which is not available to the Department of Industries and Commerce particularly for financing modernization programmes. Presently, the Corporation is having Twelve Defibring units, Four Curled coir units and Seven Auto Spinning Units in rural areas. Also, the Corporation is having 75 production centers for the production of yarn, rope, curled coir, coir matting and foot mats in rural areas providing employment opportunities for about 1,500 beneficiaries. We have Twelve sales outlets and Four sales counters besides mobile vans to sell the products in the local market and also we are catering to the needs of the states like Delhi, Gujarat, etc.

The main objects of the corporation are:

1. Promotion of Self Help Groups for Husk Collection
2. To Develop skills among unemployed for self-employment
3. To optimize the use of the existing raw material and better utilization of men and machinery
4. To establish infrastructure facilities for promoting of coir sector
5. To provide welfare facilities and empowerment of rural women both socially and economically through special schemes
6. To set up training-cum-production centers, common facility centers for the benefit of artisans and SSI units.
7. To provide backward & forward linkages to entrepreneurs engaged in coir activities.
8. To establish market at potential places for selling coir products.
9. To organize workshops and awareness programs for coconut growers, entrepreneurs about scope of coir and coir products both in domestic and International market.
10. To promote Geo Textile which is most essential for soil conservation in sloppy areas, canal embankments and road construction.
11. To create awareness among the farmers for enhancing the productivity by using pith as manure for agricultural and horticultural purpose. The organic manure which is rich in micro nutrients and serves as growing media for high tech plant values
12. To organize workshop and awareness program for farmers for preservation of husk for better value added products.
13. To promote Zero waste concept in coir.
14. To liaise between R & D Institutions, Coir Board & various sectoral organization for Technology Up gradation & Modernization to ensure better quality products.

Karnataka State Coir Development Corporation has been provided finance out of Western Ghat Development Funds, Tribal Welfare Plan Fund, Special Component Fund and VISHWA Schemes, Corporation had shown remarkable progress by utilizing all the aforesaid schemes in their production-cum-training centres.

From the year 1991-92 and onwards the Corporation made outstanding progress under the VISWHA scheme and its production during the year 2010-11 was
valued at Rs. 161.90 lakhs as against 33.02 lakhs during the previous year. The Corporation markets its products through its showrooms and middlemen. The value of sales was of the order of Rs. 355.38 lakhs during the year 2010-11 as against the sales value of Rs. 237.23 lakhs in the previous year.

The Corporation is engaged in the manufacture of various coir products, viz. fibre, yarn, rope, mats, mattings and curled coir etc. This has helped in consumption of fibre within the state itself for value added products in the state. The consumption of fibre alone is in the order of 200 metric tonnes per month as against the production of 500 metric tonnes of fibre in the state. It has created a demand for the fibre by paying suitable and fair price to the defibering units, the prices of fibre in the State has stabilized.

Deficiency in the working of the Karnataka State Coir Development Corporation

The Corporation is functioning parallel to the Federation and individual manufacturers. Incidentally, the defects afford considerable scope for others to engage in nefarious activities in supply and production of coir products. The deficiencies are:

1) The cost of production of fibre, yarn and rope is very high as compared to that of the Federation, due to high production and administration expenses. This indicates the poor management of processing centres.
2) Since the fibre produced or supplied to processing centres are of poor quality, the quality of the products is not good.
3) The Corporation resorts to buying fibre from other states which is detrimental and unwarranted in the interest of the defibering units in particular and the industry in general.
4) It is not offering any incentive to the spinners or weavers even during higher production, which adversely affect the morale and quality of the products.
5) While spinning yarn and rope fibres of all qualities are blended affecting the quality of the mat and mattings and market for the products.
6) Improper production schedule in recent years affect the output in some months of the year and some centres become inoperative.
7) Lack of recognition for motivating and training the sales force.
6.2.2 KARNATAKA STATE COIR CO-OPERATIVE FEDERATION (FEDERATION)

The Federation was established in the year 1961 with the main objective of developing coir sector in the State through co-operative movement. Its other objective viz., to assist and support primary coir co-operative societies, provide training, marketing coir products, technical guidance and implementation of ICDP & Govt. sponsored schemes in coir sector. The Federation is having 17 sales outlets and 20 production units in different parts of the State. The Federation has provided employment to about 1200 persons in rural area out of which 90% are women during 2010-11. There are 51 coir primary co-operative societies affiliated to the Federation. The manufacturing products are coir fibre, coir yarn, curled rope, fibre mats, different types of mattings, geo textiles etc. There are thirteen sales emporia, two mobile sales vans and thirteen training cum production centers in different parts of the State.

Loans towards working capital, share capital and grant towards managerial expenses and financial help to run the coir emporium was extended under all India pattern in the plan programme. The broad objectives of the Federation is to develop the coir industry in those areas where there is abundance of coconut plantation and provide employment to rural artisans.

Government of Karnataka a sum of Rs.50.00 lakhs has been released towards training programmes, repairs & maintenance of existing production centers, for procurement of new machineries and modernization of existing machinery in the existing production centers for infrastructural improvements and Conversion of Rural Feeder to Town Feeder at Dudda in Hassan district to increase the rate of production. Out of Rs.50.00 lakhs released, Rs.25.00 lakhs has been released towards working capital.

The Federation, over the years made remarkable progress in the production and sale of coir products. Production during the year 2010-11 was valued at the Rs.125 Lakh as against Rs.125 lakhs during the previous year. Sales valued at Rs.265. 00 lakhs made against Rs.256.96 lakhs during previous year. The Federation has provide employment to 1392 persons during the year 2010-11.
Deficiency in the Working of the Karnataka State Coir Co-operative Federation:

The Federation in the state is competing with the corporation and the following deficiencies were observed during our survey. They are:

1. It is not giving proper attention to primary societies, which are not functioning well.
2. Some of the societies need revitalization.
3. Some of the societies are not properly managed both in regard to production and marketing of the product.
4. Strict procedure and rules are not enforced.
5. Marketing strategy adopted is obsolete.

Federation is becoming an implementing agency rather than actively participating in the development of the coir industry. Technical and marketing guidance should be regularly given to the primary coir co-operatives.

6.2.3 DEPARTMENT OF INDUSTRIES AND COMMERCE:

Keeping in view the overall development of coir industry and to provide infrastructure and other facilities for the industry, the Government of Karnataka, established a coir wing in the Department of Industries and Commerce, to provide new entrepreneurs the needed help and guidance in the establishment of industry. The department formulates and implements all State Government and Central Government sponsored schemes for the production of fibre and other products. The department also collaborates with the Coir Board in the formulations of development schemes and acts as a liaison agency for the financial schemes of the industry by the financial institutions. It provides market linkages for individuals, corporation and federation units. They prepare and finalize the candidates for the training in social Welfare Department or in Coir Federation processing units.
References:

1. As per memorandum of association of the Corporation.

2. Annual Report (2010-11), Department of Industries and Commerce, Govt. of Karnataka, Bangalore, p. 15.

3. Ibid., p. 16.