Chapter - 7

FINDINGS, CONCLUSION AND SUGGESTIONS
This chapter is an attempt to comprehend the findings based on the analysis, the conclusions drawn from those findings and the feasible suggestions for the improvement of Coir Products Marketing System.

7.1 FINDINGS OF THE STUDY

- The Coir Industry provides employment to over 6.5 millions in rural and semi-urban areas of the country of which 80 percent belongs to economically weaker section of the society. It is estimated that nearly one million persons in the rural areas of the state are engaged in different operations mainly on a part-time basis.

- The potential for the development of the coir industry in the state is substantial. Development of units is noticed particularly in the private sector. Co-operatives and the Corporation units are also showing interest in the production and marketing of products. Though the production of coir products is progressively increasing over the years, marketing of the same is not paid proper attention. It is drawing the attention of the urban consumers to eco-friendly products like coir.

- Globalization of Indian Economy and consequent to Liberalization of trade policies, a number of new exporters are entering the export trade.

- The Export of coir and coir products from India during the year 2010-11 reached an all time high level of 4168101.1 tonnes valued at Rs. 807.07 crores. This recorded an increase of 47 percent in quantity and 26 percent in terms of value over the export achieved during 2010-11.

- The demand for coir products in the world market is growing at a large scale. Coir and Coir Products exported to 111 countries all over the world. The main markets of coir products from India are the member of United Kingdom and the countries in West Europe viz., Netherlands, Germany, France, Italy, Belgium, Denmark, Spain, Greece and Portugal continued to be major market for coir products. USA continues to be the major importer of coir products with its share of 17.82 percent in quantity and 40.16 percent in value. Exports to USA during 2010-11 registered marginal decline of 14.70 percent. The other countries which import small quantities are Australia, Canada, Sweden, United Arab Emirates, Japan, Israel and Saudi Arabia.
Out of 130 small coconut growers, only 40 (23.07 percent) coconut growers are growing coconuts for the purpose of exclusive self-marketing. Some coconut growers always preferred to consume entire produce either periodically or regularly. Out of these 40 respondents, 5 respondents are expressed that they grow more than the requirement, but still prefer self-marketing by utilizing excess produce for the consumption during festival occasion.

Out of 130 small coconut growers 50 (38.46 percent) growers are growing coconuts for selling it to outsiders, as they do not require entire production for their own use. In other words, they just grow coconuts with an intention of marketing the same to a needy person who comes to the door steps of the grower.

The remaining 40 (23.07 percent) respondents out of 130 belong to this category wherein in indirect channel is preferred. During the course of our discussion with these respondents we have come to the conclusion that this type of channel is preferred in respect of marketing of tender coconuts.

In the area of marketing, "Self Marketing" is done by the small coconut growers for consumption purpose whereas medium coconut growers and large coconut growers opt for indirect channel of marketing. In the distribution, pooling agent is a vital link between village economy and the world. He pools from growers and distribute them to the defibering units in required quantity as per demand and schedule. The small coconut growers opt intermediaries.

The transportation facilities available to coconut growers are vary inadequate which leads to high transportation cost, deterioration in the quality of fibre and above all results in forced "localized sale".

Cost of marketing is less (14.16%) in direct channel because of the absence of intermediaries, whereas the cost of marketing is high (18.83%) under indirect channel which calls for definite actions by governmental agencies to eliminate middlemen in the chain of distribution.

The two analysis of variance has been employed and the result indicate. The calculated value is less than the table value, the hypothesis is accepted, and hence, there is no significance difference among sellers or coconut growers. The table value of F for $V_1=2$ and $V_2=1$ at 5 % level of significance is 199.50 ($F= 0.918$). The table value of F for $V_1=2$ and $V_2=2$ at 5 % level of
significance is 199.50. The calculated value is less than the table value, the hypothesis is accepted and hence there is no significance difference in the marketing channels as the sales are concerned ($F=1.2040$).

- Our study also revealed that marketing margin is very small in direct channel of marketing and margin is high in indirect channel. The marketing cost is high, not because of improved marketing services but because of high margins of the intermediaries in the distribution of coconuts to consumers.

- It is marketed through direct channel or indirect channel. In the direct channel yarn, rope and small cushion work units consumes fibre directly from the defibering units without the intervention of intermediaries. Intermediaries such as agent middlemen, Corporation and Federation play very important role in the indirect channel to reach fibre to the consumer.

- Coir fibre cost of marketing in the direct channel is minimum when compared to the indirect channel because of the services of various intermediaries functioning in the chain of distribution.

- Our study also revealed that most of the individual defibering units are operating at low level owing to several reasons. Overall availability of husk for industrial purpose is very small compared to domestic consumption.

- Marketing of fibre, which enjoyed assured market by the units are adversely effected by the Federation and the Corporation buying from other states.

- The Holalkere taluk of the district has the vast potentialities to absorb two defibering units, hence there is urgency to establish the same. Defibering units owned by the individuals and firms are not organized and they have to accept the pre-fixed price dictated by the agent, Federation or Corporation which are not profitable from producers point of view.

- The spinners and individual tiny units are facing stiff competition from synthetic yarn, jute, cotton sisal etc., which are comparatively cheaper and attractive.

- Marketing of yarn and rope solely depend on merchant middlemen who exploit both the producer and the consumer.

- Individual and very small units cannot keep goods for a long time because of their socio-economic background. Generally, they are exploited by the middlemen who have financed them for their operation
Market fees and turnover tax levied by the State Government on rural agro-based industries including coir industry, cause havoc among the producers.

In the distribution of yarn and rope, the method and the channels of marketing are one and the same, hence, the marketing of both the products is analysed together. Our survey has identified two important channels, viz., Direct and Indirect. Under the direct channel, individual spinners, Federation or Corporation reach the consumer. Our survey has identified 14 path under the indirect channel. The intermediaries for yarn and rope trade are village merchants, retailers, wholesalers and dealers who render valuable service in the flow of products. The presence of these intermediaries have slowed down the importance of the Federation and the Corporation to a greater extent.

Marketing of mat and mattings are done either through direct or indirect channel. Our study felt that direct channel is predominant in the district. Selling through showrooms and participation in fairs and exhibitions are noteworthy in marketing of coir products. In the indirect channel, various intermediaries and particularly the growth of individual showrooms of producers in major town and cities have contributed much to the marketing of coir products.

It reveals that though the percentage of marketing cost to sales proceeds (3.11%), cost of production (86%), total cost (3.46%) and profit is less in the hand spinning method adopted. It is very high in respect of alternative method of spinning yarn. It is also evident that all most 50 percent of the profit estimated to be generated goes in the form of marketing cost in respect of wheel spun and motorized ratt spinning.

The marketing cost is low in respect of bullock and plough rope when compared to other variety of rope reasons being, the manufacturer himself carries on marketing activities by visiting nearby sadies. Whereas in respect of Kalavadhi rope, he depends on indirect channel of marketing. Further, it is also evident from the table that percentage of marketing cost to profit and is very high in respect of Musudu kukke (18%) and Nelavu rope (25.66%).

The transportation (25.31%) and commission (31.6%) payable to middlemen is significant in the total marketing cost. Further, nearly 50 percent of the profit from the marketing of fibre mat accounts for marketing cost.
Percentage of marketing cost (12.72%) to sales proceeds is low in sinnet mat when compared to other mats produced. Further, it is inferred that percentage of marketing cost (24.52%) to cost of production and total cost (19.69%) is low in case of corridor mat which indicates the selection of direct channel of marketing.

The cost of production and marketing cost (32.39%, 35.94% and 35.93%) in uniform in all the three types of mattings. Further, it is observed that in case of two shaft matting percentage of marketing cost to sales proceeds (20.00%) cost of production (32.39%), total cost (24.46%) and profit (109.52%) is low when compared to three and four shaft mattings.

7.2 CONCLUSION

To sum up the coir industry is one of the most traditional cottage and agro based industry with high employment potential. The Indian coir products are in great demand in both the domestic and the international market because of their special attributes like fitness, price, craftsmanship, quality, attractiveness and eco-friendly, biodegradable renewable natural resources, non-pollutant, usage of the product is up to the expected level when compared to plastic and other environment pollutant item. The growth of coir markets implies the co-ordinated efforts on the part of all those agencies concerned with development of coir industry. Although the main drive to foster the growth and development of coir market should come from agriculturist and operators, the Central and State Governments also should come out with more aggressive efforts in this regard. The net result of the different action of the Government agency is to create a void where a definite policy on coir industry should exist. In our view the partial control by the Government is essentially a facile response to the recurring problems of the coir marketing. Until a specific policy accompanied by appropriate guidelines for the formation of marketing strategy is laid down by the Government, the whole of coir marketing will hamstrung in its own boot-straps. Future policy concerning coir marketing must, of course, be developed from the wise amalgamation of the experience, current research of existing abilities, costs and needs of operators and the requirements of the Government in terms of employment generation, area development and incremental exports. Our analysis calls for nothing less than the formulation and constant review of specific policy
concerning the development of coir industry in general and coir marketing in particular. It is, therefore, to be hoped that suitable policies and measures on the lines indicated in this thesis would be adopted and implemented to weed-out “water hyacinth” in the coir markets and thereby, to ensure the maximum degree of marketing efficiencies. If the necessary measures are not adopted the coir markets are sure to go into a worsening crisis situation from which it will be more difficult to extricate them later.

7.3 SUGGESTIONS

The Coir Industry would appear to be dramatic in itself, tragically it is beset with a number of peculiarities, irregularities, complexities and inadequacies. These are at practically every stage:- marketing of coconuts, procurement of husk, sale of fibre, yarn, rope, mat and mattings. We observed during our field survey that the existing arrangement for the marketing of coir product is inadequate and that the present marketing system is totally unorganized. Further it is observed that the current functioning of Co-operatives and Corporation has not been effective to augment the sales of coir products and eliminate the existing bottlenecks in marketing. There two Government agencies have miserably failed to eliminate the market functionaries from the market. This obviously indicates the existence of organizational and operational defects in the entire set up of these two agencies. Our field survey has also exposed a number of such defects and resultant inadequacies in marketing coir products. The Government policy regarding these two agencies appear to be anaemic. Besides, there is no clear cut and specific government policy concerning the production and marketing of coconuts, husk and fibre and to some extent the yarn and rope. With regard to the coconut cultivation the governmental efforts are limited to that of bringing additional acreage under cultivation.

Cultivation of new and hybrid varieties of coconut sapling, without regard to the life of the tree and the yield of the nuts, has its net effect on the industry. There are no efforts on the part of the government to create and develop the market or assure some marketing arrangements for those coconut growers to sell the husk under duress. With regard to the fibre, the governmental efforts are almost limited to the procurement from the defibering units either directly or through village
merchants/owners of the units. With regard to marketing of yarn and rope, no attempt is made to organize this pathetic and disorganized market. Further, though, there is organized marketing set up for marketing of curled coir, rubberized products, geo-textiles, and coir mat and mattings, the efforts are not effective.

Basically the developmental strategy on coir industry involves the development of markets for those coir products and the revitalization and reformation of the existing markets for coir products. This two-fold task calls for concerted action to check the deficiencies and irregularities in the existing marketing system and thereby to increase the marketing efficiency consistent with the cost of marketing, channels of marketing and marketing organization and procedures of various stages of production. As the development strategy differs from marketing of one stage of production to that of another, we propose to state the Suggestions for the development strategy in respect of each of coir product separately.

Coconut:

1. In order to assure the coconut growers a ready market for the nuts, the government should establish coconut counters in all village hobbles. These counters should buy the nuts in bulk from the coconut growers and sell them after peeling the husk to the industrial sector and individuals at a price based on the cost of cultivation, quality of nuts, degree of ripening and other relevant factors. This arrangement enables the growers to bring additional acreage of land under coconut cultivation and plan their operations well in advance. The system suits the defibering units who do not have certainty of the availability of quality husk.

2. The Government can also think of extending the crop insurance scheme to coconut cultivation particularly during the early stages so that the interest of the small coconut garden owners are protected in the event of crop failure.

3. Since the cost of cultivation of coconut tends to be high as the yield of nut starts only after 5 to 8 years, the interference of Government is on top priority either to inspire the farmers to make coconut cultivation a full-time job or to bring additional acreage of land under the coconut cultivation. For this purpose the government shall think of subsidizing the total cost of cultivation from the date of seedling to the date of commercial production.
4. Our field survey discloses that small coconut growers, because of their financial weakness are always under the mercy of either village merchant or pooling agent and surrender their crop to the latter at unfavorable market conditions and transform the utilizable industrial husk into unproductive fuel husk. The coconut growers should, therefore, be given financial assistance at concessional rates of interest in order to insulate them from the clutches of these market intermediaries.

5. Further, the coconut growers shall be encouraged to form growers cooperative societies for the purpose of marketing of nuts and to supply the right quality husk in right quantity at the right time to the right place.

6. The Government shall organize workshops, for the coconut growers and educate them regarding the utility of husk.

7. Applied research shall be undertaken regarding improved variety of seeds thereby improve the quality of fibre.

8. The potentiality for golden white fibre shall be increased by adopting natural retting process in almost every garden of the country.

Coconut Husk

1. The marketing efficiency of husk greatly hinges on the production of brown fibre. The production of brown fibre should, therefore, be centralized with one agency in each district. The government can establish a separate agency called 'fibre exchange' and abolish the private dehusking units, as these owners are producing on casual basis without giving supporting price for the husk to the coconut growers.

2. The Corporation should take up the entire responsibility of producing high quality long fibre and market them to the manufacturers of the coir products through its own distribution net work.

3. The Government of Karnataka can if it desires so can accommodate the private defibering units in the distribution net work of the Corporation. This would ensure the production of quality fibre which, in turn, would help not only in bettering the marketing system of fibre but also the marketing of fibre products. In any case, the production activity of defibering should be linked to the marketing of fibre in order to lower the cost of fibre extraction and to enhance the productivity and profitability levels. In view of this, the parallel
functioning of government owned and private owned defibering units shall be discontinued.

4. The extraction and marketing of coir fibre from the coconut husk is carried on at a high degree of risk, we suggest a complete nationalization of defibering operation or complete de-nationalisation of the same. For the extraction of fibre, there cannot be half-way-house between nationalization and de-nationalisation. In fact, our field survey has shown that the parallel functioning by both the agencies contribute much towards the prevalence of umpteen marketing problems.

If the Government chooses to monopolies the entire extraction and trade through the Federation, the following measures must be adopted.

a. The production of fibre which is now in the hands of private owners shall be taken over by the government.

b. The sale of coconut fibre should be on the basis of quality and not on the basis of quantity.

c. The government has to provide quality assurance of fibre to the spinning and manufacturing sections of the coir industry.

d. Government should sell the fibre to the units on credit basis with the stipulation that such spinners/weavers have to clear the dues by selling their yarn and rope or mat and mattings only in fibre exchange market.

5. Alternatively if the government chooses to leave the entire fibre trade in the hands of private fibre extraction units, a strict enforcement on a few units should be made on such matters as the utilization of quality husk from the notified coconut farms, weight and thickness of the husk, length of the fibre content, age of the husk (nut), thickness of the fibre, before the sale of fibre is effected scrapping the entire lot if 10 per cent of it containing either thick, weak and short fibre. Since, the scope for manipulation and adjustments is great on the above matters, which affect fundamentally the marketing of fibre.

6. The entire licensing of defibering units shall be reviewed periodically either by the Personnel of the Department of Industries and Commerce or by the Federation so as to eliminate the possibility of obtaining the license clandestinely and thereby, prevent the operation of ghost or pseudo-defibering units in fibre extraction operation. The erring and unscrupulous defibering units shall be black listed and their licenses should be confiscated.
7. The Government shall enforce maintenance of process records starting from date of plucking of nuts, age of nuts, dehusking date period of soaking and quality of fibre extracted. Normally, standards shall be prefixed in such records as may be felt fit by the federation and a comparison shall be made at every stage.

8. During the survey many respondents have opined that a husk market yard shall be established in almost all nobli centres besides establishing buffer husk godowns by the government. The respondents expect that these markets shall be able to provide the right quality and quantity husk to the needy defibering units. In this regard, we strongly feel that sorting norms for the husk shall be notified by either by the Federation or by the Corporation.

9. Government shall promulgate an ordinance to prevent the utilization of husk for fuel purpose, for which a mobile squad shall be formulated/constituted separately for each of the coconut zone and issue notices to all the growers of nuts and direct each grower to supply approximate quantity of husk every year. One strong feeling by a few defibering units is that a 'husk bank' shall be constituted either for depositing or for withdrawing the husk.

Coir Fibre:

1. The Government shall abandon the present system of marketing of fibre in the open market and statutorily fixation of the price for the fibre particularly either by the Corporation or by Federation on the same lines as the agricultural price commission which fixes attractive prices for agricultural commodities in the country. But the price fixation of fibre should especially be on the basis of variety of fibre, thickness, colour, cost of the husk, variety of nut and length of fibre etc. These factors are relevant for the price fixation of different varieties of fibre. This will prevent the linking of fibre prices with speculated prices and also the inclusion of non-price factors into the fixation of fibre price. It must be noted that under the present condition only a small but the most powerful section of the members of the market is benefited and the integrity of the middlemen is at a low ebb. The present system does not yield good result when there is mercy buying by the users of the fibre.

2. As a corollary to the above line of action, the fibre markets, localized in the respective areas, at present act as effective procurement and distribution
agencies so that the procurement price of the husk and selling price of the fibre can be linked effectively. Devoid of this link, the fibre pricing policy becomes will-o-the-wisp. Such linking of procurement and selling price obviously eliminates the unnecessary migration of husk owners in anticipation of high prices from one unit to another and deliberates the defibering units to induce fluctuation in fibre prices. The whole idea of linking the prices of procurement and distribution of prices is to enable the notified defibering unit to undertake buffer-stock operation in fibre effectively. It should be noted that the cost of extraction of fibre varies considerably from method to method. It is, therefore, pertinent to base the procurement and selling prices of fibre on regional variations in the cost structure of different varieties of fibre. This is not meant to suggest a uniform fibre price for all the varieties for all the defibering units. Cost based pricing can be differentiated. Our research survey has shown various elements of costs of extraction of fibre from unit to unit, age of the husk, and from natural and mechanical rattrating. Inter and intra-regional variations in method of marketing should constitute the hardcore of the fibre pricing policy.

3. As regards the problems of availability of fibre due to non-availability of husk no effort has been made either by the Federation or by the Corporation in the state. Hence, it is pertinent to stress the concept of 'husk/fibre bank' to ensure the regular supply of both the raw material and the finished products.

4. During the course of the survey a unique problem was noticed and magnified by almost all defibering units that they are facing acute power problem. In order to overcome this, it is strongly suggested to install either generators or solar power plants to ensure the regular supply of power for the defibering units. Many unit owners have expressed that they are at the verge of closure of the units as fibre extraction is gradually becoming problematic and uneconomical. Hence they opined that the government should subsidies upto 100 percent on such power generation installations.

5. The discussion with top gross reveals that the quality of fibre extracted in units established in various parts of the districts is not upto the expectation. Hence, dependence on the neighbouring states becomes inevitable. Under the circumstances it is strongly felt that the quality production of the units of the state shall be improved by organizing technical workshops, Entrepreneur
Development Programme (EDP) and market friendly quality production. Further the experts expressed that the machinery installed in various units have become obsolete hence the quality production is impracticable which affects the marketing of fibre.

Coir Yarn

1. The Federation/Corporation should be permitted to sell yarn only to the units engaged in knitting/weaving of coir products.

2. The Federation/Corporation shall build adequate stocks of yarn so as to maintain a continuous flow of yarn to the weavers: which ensures a continuous job work to the spinning units as well as weaving units.

3. The Government agencies should either give the spinning guarantee to the yarn spinners or fix up the conversion charges exclusive of process loss of fibre. The conversion charges shall be fixed on the basis of different lengths, quality of fibre, length of fibre, type of fibre, thickness of the yarn, number of twists per inch, purpose of twisting/spinning i.e., whether for final consumption or for product consumption.

4. At present spinning units operating in cottage establishments located outside the industrial estates are not eligible either for the subsidy or for any other assistance. As all spinning units cannot be accommodated, we recommend the extension of subsidy to the units located outside the estate.

5. At present licensing of spinners is not done by any agency. This must be done away by bringing all spinning establishments under the purview of Department of Industries and Commerce which may in turn avoid mushrooming of spinning units and most of them are not economically viable and cannot with stand the adversities of the industry. Such an indiscriminate licensing of yarn making units shall be avoided and can be done by transferring licensing function to the Coir Board.

6. The authorities of the Federation are of the opinion that the extraction of fibre and spinning of the same shall be integrated to ensure regular supply of fibre as well as yarn. Further, it is opined that the migration of skilled labourers can be totally prevented either by modernization or by providing them job throughout the year.
Coir Rope

1. All the tiny units engaged in this activity shall be brought under the Department of Industries and Commerce, subsidy and financial assistance as per the existing policies should be extended to them.

2. All the trainee who intended to start units to make mat and mattings shall be enforced to produce 25 percent of the total output as ropes.

3. At present the market for rope is located at the village level and this product is a rare commodity in semi-urban and urban areas.

4. The disadvantages of plastic rope shall be highlighted in order to make coir rope more popular.

5. The Corporation and the Federation at present have neglected the production of various types of ropes leaving to the house-holds in the centres established by them. It is therefore suggested to invent blended ropes and make popular both for domestic and industrial purpose.

6. Our survey revealed that street vendors have been neglected who act as main market intermediaries in taluk level, both by the Federation and the Corporation. It is therefore advised to appoint government sales representatives to augment the sale at all levels.

Coir Mats and Mattings

1. The government shall supply all fibre extracted either by privately owned defibering units or by themselves to small weavers on a permanent basis. The fibre shall be supplied to these tiny units on the basis of number of persons engaged in the activity.

2. Subsidised fibre at the rate of Rs. 3.00 per kilo upto one tones per family per month must be made available by the Government through the fibre exchange.

3. The provision of marketing facilities to the weavers should be on the following lines:
   a. The present marketing scheme of the Federation should be strengthened and broad based to cover all handloom weavers in the State. This involves vigorous branch expansion policy of the Federation.
   b. We suggest a few more marketing outlay both by the Federation and the Corporation in almost all taluk headquarters which at present is
selling products manufactured by them only in 21 showrooms established and maintained by them. As the Corporation has good expertise to develop an extensive network of distribution, the marketing of mat and mattings produced by the tiny weavers in the State can conveniently and profitably be brought under its fold. This would ensure organised marketing facilities to the tiny sector.

c. The Karnataka Handloom and Handicrafts Corporation can also undertake the pooling of mat and mattings manufactured by small and scattered skilled weavers for export purposes. This can be done through the establishment of pooling centres on the lines of export houses by the Corporation. There is a great disparity between prices of mat and mattings produced by organized and unorganized sectors.

It is significant to note that there is substantial demand for blended products both in domestic markets as well as in overseas markets. This will enable the weavers not only to increase the quantity of output but also to make the industry prominent. As the manufacture of blended products requires special technical know-how the Corporation shall assist the tiny sector in augmenting/obsolete replacing the obsolete looms and technology with the modern looms on advanced and scientific techniques.

4. Presently the weavers are handicapped due to the lack of test marketing facility whenever they contemplate a new product-geo-textiles. The Corporation and the Federation should conduct the test marketing in respect of newly designed products.

5. The Government should abolish the sales tax on coir products to arrest the diversion of trade, to check all-time high prices of coir products, to curb corruption and to eliminate harassment of weavers by the tax authorities. It is gratifying to note that the Government has welcomed “mutual-exchange” programme in the States of Kerala and Tamil Nadu in marketing of coir products.

6. It is observed that any impact in the preceding stage will ultimately be on the weavers as the weavers are the ultimate sellers of coir products. It is possible for the coconut growers-cum-husk suppliers to pass on their marketing risk on to the defibering units, who, in turn, pass on their marketing risk to the
spinning/manufacturing section and finally to the weavers engaged in weaving of mat and mattings. But the weavers find it difficult to shift such risk to the ultimate consumers, due to their limited resources and due to lack of organised marketing outlets. In fact, the problem is so acute in the industry which forces them under the mercy of the market functionaries and the tiny weavers are under the mercy of the Federation and the Corporation. In order to free the weavers from the clutches of the unscrupulous marketing middleman the marketing support being extended by the Government seems imperative at the present juncture.

7. The Federation should undertake the rigorous quality control measures so as to obviate the marketing frustration caused in respect of low quality fibre and substandard yarn spinning. Obviously the marketing of inferior products will reduce profitability and finally the sector is totally neglected. Storing in coir industry is a word not known to functionaries of various stages. It appears the Government is not bothered to provide the storing facility on scientific lines with restoration of quality particularly for husk and fibre. Grading and standardization of products, at each and every stage, must be given the top priority through the establishment of an elaborate network of fibre/yarn testing and conditioning houses. It is pertinent to note that lack of grading and standardization acts as stumbling block to the Governmental efforts in establishing the prices for fibre and yarn. As a prelude to the price stabilization policy, grading and standardization of fibre and coir products must be resorted to. This concept is also indispensable to our proposal of the fixation of statutory prices and establishment of fibre exchange on the lines of Agricultural Price Commission.

8. The Government should do some hard thinking on the removal of transport bottlenecks, perhaps, even by introducing a system of mobile transportation in coir markets.

9. As a matter of fact, marketing is the source of finance to the operators/ producers. As the operators lack adequate internal marketing arrangement for the products, they require capital inputs at moderate rates of interest for all the processes involved in the industry. Thus, the volume of credit requirement in the whole process would cover the credit needs of agro-based activities and also industry based activities including marketing of mat and mattings.
10. Our survey also revealed that new use of coir ratts and vegetable dyes will definitely enhance the quality of the product. It is therefore, suggested to adopt the modern dyeing techniques.

11. Unlike other sectors the labour turnover is high in this sector. As the line is not lucrative and the product price is very low it is imperative to make it attractive in terms of price of the product and returns to the persons engaged in the industry. As discussed earlier the blend concept shall be introduced and automatic machines shall be invented and installed in place of the existing old and obsolete looms. It will speed up the output and improve the quality of the product with an assured income and market.

12. The Government should over-haul its statistical machinery so as to systematically collect, and disseminate the relevant market data in all areas. Any gap in the market data notified by the Government must be filled up without recourse to not available class. Updating of market data should also be done without loss of time.

13. For enlarging the sales of coir products in the domestic market Government of Karnataka should instruct the public sector undertakings to use coir finished goods for their office purposes. More over directions should be given to the State Public Works Department to use cement flooring with coir mats instead of marbles and tiles. This will help to reduce the construction cost also. It is also recommended that for the sale of coir products department stores and showrooms should be started in all cities. Besides State Government should pressurize the Defence Authorities and Central Public Works Department to use coir products for their requirements.

14. Central and State Governments should instruct the Railway Board and National Highway Authorities to use the Geo-textiles in the construction of the slope of Railway lines and National Highways to prevent soil erosion. It can be effectively used against soil erosion and sea erosion and to preserve canal and river coast. It is estimated that soil erosion has affected 141 million hectares in India. Annually 6000 to 7000 lakhs tones of soil is getting lost. At the current rates the value of the soil comes to Rs. 15000 crores. The use of Geo-textiles increase the demand for coir products which in turn will increase the production and prosperity of Coir Industry in Karnataka.