



**"We have to forget about geographical boundaries  
and think about Indian Coir"  
- says Mr. Mathew Joseph, Chairman, FICEA.**

*Coir Board has been advocating for the formation of a Federation of Indian Coir Exporters' Associations so as to eco a united voice for a legitimate share of assistance from the Central, State Governments for the coir sector in India. After much persuasion by the Chairman, Coir Board, the FICEA has been formally constituted as a Federation of Indian Coir Exporters' Associations. Shri. Mathew Joseph who was the Chairman of the FICEA during the formation stage has now been re-elected as the first Chairman by the General Council of the Organisation. Shri. M. Kumaraswamy Pillai, Director (Marketing), Coir Board had occasion to meet Mr. Mathew Joseph and interview him on the problems and prospects of coir industry and the functioning of the Board.*

*The following are the excerpts of the interview.*

*At the outset let me congratulate you for your re-election as Chairman of the FICEA. I know that FICEA was organized after a long struggle to voice the grievances of coir industry unitedly. You have also contributed significantly in the formation stage to bring together people of diverse interest. What are your future plans?*

It is my earnest wish that FICEA acts as the one and only voice of the Exporters of coir and various coir products of the entire country to raise their grievances, needs and envisages redress for all their problems that beset the Industry. As you know, traditionally coconut was cultivated largely in the State of Kerala only and it has the very conducive natural retting process and coir products were developed in Kerala only. But unfortunately we are still at where we were decades ago. Kerala has not so far achieved any solid improvement or progress to claim for. The negative attitude of the stake holders and the unwarranted attitudes of various political parties, Trade Unions and especially the then Govt. of Kerala, towards mechanization and modernization and so and so forth contributed to the decline of coir industry in Kerala.

The Husk Control Act and its enforcement in a most unprofessional manner also proved to be a heavy blow to the Coir Industry in Kerala.

We cannot blame any one for abandoning 'retting' with natural resources as it caused very serious environmental issues.

In the mean time coconut cultivation slowly started spreading to other southern States as well as other States like Orissa, West Bengal etc. They developed commercial coconut plantations, where as in Kerala, from the status of Plantations it degraded and made confined to the tiny holdings of one's own house hold premises only, because of the Land Reform Act. At this juncture it is to be seriously noted that Rubber, Tea, Cardamom etc continued to enjoy the status of Plantations and Coconut was simply denied the privilege. This led to the scarcity of the availability of coconut husks. Today we



cannot call coir industry a 'Kerala based Industry' as Kerala now became one of the many coconut producing States in the country.

There are many Trade Associations in the country and the primary aim of FICEA is to bring together all these Trade Associations, or at least the major ones under one Umbrella so that common R & D facilities, mechanization, modernization etc can be developed and introduced as a common endeavour in all coconut producing States in the country. This will eventually help the industry to sustain without any incentive or support from anyone or any where. We believe that this will also facilitate our products to be sold on its own as 'Indian Coir', basing on quality, prices, and competitiveness by improving productivity etc.

But what being said above, as it stands now, the Industry needs the support of Govt. of India and various State Governments etc to sustain. It is a pity that the Industry is not aware of what are all the incentives and the like for which we are legally eligible and also to be made eligible as a natural fibre when compared to other natural fibres like Jute, Cotton etc. since there is no spokesman for the Industry. Also please note that for fault of no one, in the recently formulated Natural Fibre Policy, Coir never figures at all!

We realise the presence of Coir Board, but also understand its limitations. FICEA will be working in absolute unison with Coir Board, Governments of India and various coconut producing States, in all its efforts for the betterment of the Industry as well as the exporter fraternity. It is also our wish that the activities of FICEA shall be extended to all coconut producing States in the country.

In order to widen the scope, FICEA also intends to work in hand in hand with International Trade Associations, FAO and such other Associations/Organisations in the importing countries as well as other Coconut growing Countries.

*In the export oriented coir production sector of the coir industry, there are 4 recognised associations and a Co-ordination Committee of all these Associations. These Associations were formed over a century ago and how you were able to integrate all these Associations into a single entity?*

Probably that is our greatest achievement. Bringing all these separate Associations was a Herculean task as each Association has its own individuality and history that its members wish to preserve. As you know there are 4 Exporters' Associations in Kerala, 3 or more in Tamil Nadu and so also in other States. We have succeeded in making all the 4 Associations in Kerala and the Coir Pith & Allied Products' Manufacturers' & Exporters' Association in Tamil Nadu, to think alike and act together through FICEA. The most ideal situation will be to have only one Association in each State and all such Association in the whole country shall come under FICEA as its apex body.

Also in the due course FICEA visualizes to integrate all Exporters, Trade Associations all over the country under the aegis of FICEA and one division each for coconut shell and its products, fibre, pith, coir yarn, coir products, mechanized and hand crafted as well.



We do not expect this to happen over night; but we are confident that this can be achieved in the nearest future as we have already proved it by federating four + one Associations in Kerala & one in Tamil Nadu, as FICEA.

*What will be the role of the non-traditional sectors like Pollachi in the new outfit?*

Tamil Nadu in general and Pollachi in particular has already emerged as a strategic centre as far as Coir product export is concerned. We cannot consider Pollachi as a 'Non-traditional Sector' any more. It is really praiseworthy to note that by their own merit, Tamil Nadu has established very well in the market. It is to be noted that if not for Tamil Nadu, Coir Industry in Kerala would have perished by now. We have to forget the geographical boundaries and think about 'Indian Coir'. Our aim shall be to see that the industry flourishes in all coconut producing States in the country. The Handloom Industry as well as mechanization will have to flourish in Tamil Nadu and other coconut producing States as well. In fact Tamil Nadu achieved the mechanization successfully to a large extent and will have to go forward for full development. It will be FICEA's endeavour to see that the handloom industry flourishes in Tamil Nadu as well as other States as it flourished in Kerala. It is the duty of the Industry in Kerala to speed up the process of mechanization and modernization in the State, taking a clue from Tamil Nadu. If Tamil Nadu can produce and export fibre, pith and other non traditional agricultural products, why not Kerala in particular and other coconut producing States can also do that by taking Tamil Nadu as its role model? On the other hand, if Kerala can develop a well established handloom industry, why not Tamil Nadu and other States can also follow suit, taking a clue from Kerala?

*The coir industry is facing acute shortage of raw materials like coir fibre and yarn. Besides, the workers are also deserting the coir industry for better avenues in the construction industry and work under the NREGP. In your opinion, how can the FICEA address these problems?*

This is perhaps the greatest threat being faced by the Coir Industry at present in Kerala. In order to overcome the acute shortage of raw materials, short term and long term schemes can be evolved with close co-operation with Coir Board and FICEA as facilitator among all coconut producing States. If Kerala wants to procure fibre or yarn from any other States, it has to get it under any circumstances.

Here FICEA intends to form Clusters like ACCDS, ANFIDeC etc with the help of Lean Manufacturing Competitiveness Scheme which envisages Common Projects vital to the Coir Industry and especially Common Facility Centres to be opened in Kerala, Tamil Nadu and eventually at other coconut producing States in the country.

We don't feel that NREGP is the real reason for labour shortage as we face now, instead, whether in Kerala or Tamil Nadu, it is the tiny house hold producers who don't pay the statutory wages and other benefits, which they are bound to pay the workers and hence the labourers desert the industry.

In fact the real exploiters are the so called middlemen or facilitators whether in coir fibre, yarn or products. We don't find any reason for the workers to migrate to construction field or to NREGP, if they get the statutory wages; in fact what is due to them legally. The legally bound wages are being



paid in the organized sector and it is in fact very much higher when compared to the benefits under NREGP or that of the construction sector. It may be worthy to notice that the 'organised' factories with large employment are not at all facing any labour shortage.

At this juncture it is worth to look back to the 1st half of the 20th century when all functions of a Coir factory, starting from re-hanking to bailing; from manufacturing of Doormats to packing and forwarding were all done within the premises of a factory !! Retting, Defibring and coir yarn spinning were the only activities being processed outside the factory. Each factory used to employ a minimum of 1000 to 7000 workers and who were all paid all what is legally due to them. We have to start thinking in this line. It is here that we need a real financial support from the respective State Governments to support those companies who are (a) employing more than 'X' number of employees and (b) paying all what is legally due to them. Government shall encourage entrepreneurs who are prepared to reintroduce the status prevailed during the 1st half of 20th century.

With the introduction of Semi Automatic Spinning Wheel and Fully Automatic Spinning Wheel, which is under development at CCRI, the spinning of coir yarn activity can also be brought under the organized factories. Here also the assistance of Lean Manufacturing Competitiveness Schemes like Central Warehousing, Common Facility Centre etc can be made available. In short, Coir Industry must be in the status of any other Major Industry and not a Cottage Industry.

*Coir Board was functioning as a regulatory agency until a decade back when the Minimum Export Price and Purchase Price were in vogue. Consequent to withdrawal of these Schemes, the Board has changed its role to a facilitator. Now the Board is making earnest efforts in facilitating the industry to achieve higher productivity, increase in export earnings, modernization of the industry etc. As the Chairman of the FICEA, how do you evaluate the performance of Coir Board as a facilitator?*

To be very honest, Coir Board, though taking earnest efforts, has not fully succeeded in becoming a facilitator. I feel most of the money spent is not yielding results since Coir Board does not take the exporters as well as suppliers to the indigenous market into confidence. The research and development activities are not seen directed towards what the Industry requires.

To begin with, just look at the constitution of the Board of Directors of Coir Board; its members do not represent the Industry. We suggest that by changing the Coir Act, 40% of the membership of the Board shall go to eligible and genuine exporters who are having real stake in the Industry; 20 % of the membership shall go to major suppliers in the domestic market, 30 % to Manufacturers and the remaining 10 % may be set apart for other categories including Trade Union representatives.

This means that Coir Board's change from regulatory to facilitator is not visible in practice when considering Coir Board's as well as CCRI's infrastructure.

CCRI will have to be made an independent organization with a Governing Council with the same constitution as mentioned above. It is also worthy to



consider all State Government-run research organizations like NCRMI shall come under CCRI.

It is also suggested that the respective coir departments of all coconut producing States shall function in cohesion with FICEA and all shall be under one Umbrella called Coir Board.

It is suggested that a core committee of 10 Board members shall meet at least once in 15 days to evaluate the Industry

We also place on record our high appreciation for the work being done by Coir Board and CCRI. The timely intervention of Coir Board in many recent actions speaks for itself and earns great credit. The high level meeting at Delhi held recently; the efforts taken with the Pollution Control Board in declaring ETP sludge as non hazard, innovation of Mobile Defibring units, the current R & D efforts to make Automatic Spinning Wheel etc are just to name a few. I fervently hope that Coir Board and CCRI will continue to do the good work hand in hand with FICEA.

*Of late, the exports of traditional coir products like handloom mats/mattings are showing a declining trend whereas the non-traditional products like coir pith are registering a quantum jump in exports. How do you react to this?*

As I mentioned earlier, if handloom products are manufactured in house in the centralized factory, better and quality products emerge and consequently no one can write off the prospects of handloom products. The quantum jump in the export of non traditional products like pith etc is a welcome move. This has nothing to do with the decline of handloom sector. I feel this phenomenon has some link with the problems in Sri Lanka who were the large exporters of non traditional products during the last few years. Also the non traditional product industry in any State in India started as fully mechanized units and hence it is cost effective too. A deep liking for eco friendly and bio degradable products all over the world, also contributes substantially to the quantum jump in its export.

*Many exporters have started manufacturing activities of coir and coir products outside the State of Kerala particularly in the State of Tamil Nadu where the State Government provides lot of incentives for industrial units. Will it not be detrimental to the interest of the traditional coir industry of Kerala and what steps you envisage to arrest the migration of coir exporters to other States? This question is relevant in the background of sustaining the traditional workers and the small scale producers in Alleppey.*

As far as FICEA is concerned, it cannot think about Kerala Coir alone as it is a federation working for the interest of the industry in every State. This answers the question. The incentives shall be extended to all coconut producing States and also take Tamil Nadu as the role model as far as availing the incentives are concerned. It will to some extent help retain the industry in the respective States.



*Despite hefty increase in prices of raw material and labour wages, it is found that the unit value realization of coir products exported during the recent past particularly the handloom products is coming down. If we look at the UVR of traditional products prior to withdrawal of MEP and after that this is more evident. Is it because of the fact that the exporters are exporting more low value items or that there is a cut throat competition between the exporters. Can FICEA do something for ensuring a minimum price for handloom products?*

As you know, 50 years ago an International buyer bought a Doormat and used it for 2/3 years and they always preferred 'expensive' and 'durable' products. But today they buy a 'functional' product and use it for 2/3 months and then throw away. That is how the unit value has come down. It is the primary duty of the seller to safe guard the interest of the buyer and satisfies his requirement and not to force the sellers' choice .If the buyer wants 'low value' items, the seller has to oblige.

Moreover, it is always good for the Industry to encourage competition whether cut-throat or otherwise so that the fittest survives. But, look it shall not be at the cost of exploiting the labour! In order to avoid this, I mentioned about the 'Centralised' large factory, instead of a Cottage industry structure. If all the exporters and manufacturers pay their workers what is due to them legally, I am confident that there cannot be a price variation of more than 2/3 percentage and it will avoid unhealthy competition.

When you mentioned about higher unit value realization during the MEP regime, the realization was only in papers; it was not there defacto. Please realize that lot of money went back to the buyer by illegal means. We don't feel any necessity for ensuring a minimum price for handloom or any other products. We should allow the market forces to play its role. In the current liberalized global economic scenario, any price control or any other State control regulations, will do more harm than good for the industry. Better to realize that now India is not the only country that produces machanised or handloom products. Any price control in India will only help other producing countries to overtake India. At this juncture it may be worth while to note what MEP had done to the export of 'hop yarn' from India vis-à-vis Sri Lanka !

*FICEA was a brain child of Shri. A.C. Jose, then Chairman, Coir Board and the present Chairman Shri. V.S. Vijayaraghavan has also been providing all sorts of encouragement for the activities of FICEA. The Ministry of MSME has also been very much supportive to the suggestions of FICEA. What are your expectations in future?*

Yes it was Sri. A.C. Jose who first mooted the idea of a Federation of this nature, way back in early 2008. I salute Mr. Jose for his far sighted idea. It is also heart warming to note that Sri. Vijayaraghavan Ex.MP, the present Chairman, Coir Board is doing yeoman service to see that Coir Industry reaches greater realms. I also recall with sincere gratitude the efforts taken by Chairman, Coir Board, its Officials especially Dr.U.S.Sarma and Mr. Kumaraswamy Pillai and I wish their involvement shall help Coir Industry scale greater heights of glory in the years to come.

The Ministry of MSME also looks at our industry with high appreciation and they always try to find very positive solutions to our many a pressing



problem. We recall with gratitude the help and support extended to us by Sri. Dinsha J Patel, Hon. Minister, MSME, Sri. Dinesh Rai IAS and Sri. Seshkumar Pulipaka IA & AS. We pay our rich tribute to them and the personnel in the Ministry.

*Coir Board is in the process of re-vamping the 'Coir News", its official publication. Do you have any suggestions to make in this regard?*

'Coir News' has to be more Industry oriented and the content should be beneficial to the readers of the Industry. Space spent for publishing details of 'statistics' can be made use of for other relevant matters. It doesn't mean that we are leaving out the importance of statistics. It need not be that elaborate nor exporter-wise. It will be better to be product-wise, importing country-wise and also to cover exports from all ports in India. I feel that Coir News should be brought out in an International standard like 'Rubberasia' or 'FIEO News'. In short there should be total change in its outlook and content.