

V. Coir Industry

Coir industry is one of the traditional industries giving employment to thousands of people in the State. Directorate of Coir Development is the organizational mechanism of Government which implements Government decisions, redresses issues in the Coir sector, acts as facilitator for the promotion of the coir industry and ensures sustainable employment opportunities in the industry through planning and implementation of the new policies. The 2nd Re-organisation of Coir sector guarantees social protection of coir workers while focussing on modernisation and innovative value added products.

Strengthening the value chain in Coir through strategic interventions with benefits to all stakeholders remains one of the guiding principles in the sector. Strengthening husk procurement, upscaling de-fibering, uninterrupted supply of raw materials to units for value addition, modernization of the existing units, enhanced production of diversified value added products, and institutional support for R & D are some of the thrust areas in the Budget 2024-25.

In the Budget 2024-25, an amount of ₹ 10764.00 lakh is provided under coir sector for a total of thirteen schemes, giving due importance to gender budgeting.

1. Cluster development and husk procurement programme in Coir sector

(Outlay: ₹ 68.00 lakh)

The objective of the scheme is to enhance productivity, competitiveness, collectiveness and capacity building of co-operatives and entrepreneurs through forming a Consortium for the collection of the husk, establishing a yarn bank, establishing common facility centre, and common showroom and sales outlets. Establishing one consortium under the scheme is the targeted output. The expected outcome is ensuring availability of raw material, use of modern technology, more value added products, and enhanced volume of sales and exports.

a) Cluster Development Programme: Cluster Development Programme in Coir sector is being implemented by Coir Board under the Scheme of Fund for Regeneration of Traditional Industries (SFURTI). Coir Clusters can be developed as per GoI guidelines and avail the central assistance based on viable projects. The amount provided can be utilized as State's matching share in the projects.

b) Coir consortium: Husk procurement and making available coir fibre is the key to successful implementation of the '2nd restructuring of coir sector' as it ensures the raw materials required for mechanised defibering units. Therefore a formal institutional mechanism is essential for catalysing mechanisation and technology development in the State in achieving self-reliance, diversification and quality in the coir sector.

An amount of ₹ 68.00 lakh is provided for the scheme in the Budget 2024-25 towards matching State share of Cluster Development Programme and for the Coir consortium.

2. Mechanisation and Infrastructure Development of Coir Industry/Regulated Mechanisation of Coir Industry

(Outlay: ₹ 3200.00 lakh)

The scheme intended to meet the global demand of diversified coir products of superior quality and to withstand the price competition from other fibre products, it is essential to modernize and enhance the productivity in coir industry.

a. Public Sector Undertaking: Rejuvenation, modernization and technology upgradation of PSUs like KSCC, FOMIL, KSCMMC, Coirfed and other Government institutions in the coir sector based on viable revival proposals linking business plans. An amount of ₹ 1200.00 lakh is provided for the above activities in the Budget 2024-25.

b. Co-operative Sector: Assistance for basic infrastructure, Effluent Treatment Plants (ETPs), Common Facility Centres, plant, machinery and equipment required for technology upgradation of the spinning, weaving, non-woven and defibering sector of co-operatives, revival projects of co-operatives covering margin money, working capital managerial assistance and project implementation charges are envisaged under this scheme. Statutory dues such as EPF, ESI and KSEB tariff dues are major hurdles for the co-operative societies in the revival process which the scheme seeks to address. Providing support for insurance scheme for coir workers is also envisaged. The revival proposals of co-operatives need to be comprehensive, addressing issues in physical infrastructure and technology upgradation. An amount of ₹ 1200.00 lakh is provided for these activities.

c. Entrepreneurs: Assistance for adoption of modern technology in husk procurement, increased deployment of DF units, the establishment of automatic spinning machines, PVC tufted units and allied activities on the process chain on entrepreneurial mode is proposed. Assistance for production of Non-woven Coir Geotextiles, Coir composites/injection moulded Coir for automobiles, Coir Composite Boards, binder less boards, Coir ply and Coir wood products and needle punch units on entrepreneurial mode with viability gap funding in Coir non-woven sector are also included. An amount of ₹ 800.00 lakh is provided in the Budget 2024-25 for these activities.

A total amount of ₹ 3200.00 lakh is provided for the scheme in the Budget 2024-25 for the above activities. 50 per cent of the beneficiaries will be women.

3. Training and Management Improvement

(Outlay: ₹ 250.00 lakh)

The objective of this scheme is to impart training to the officials/employees and workers of the department, public sector undertakings (PSUs), coir co-operatives societies and mats & mattings societies through better institutional management. Activities under this scheme include -

- a) Training to the employees of the Coir Development Department, COIRFED, Kerala Coir Workers Welfare Fund Board, KSCC, FOMIL, Kerala State Coir Machine Manufacturing Company, PSUs and coir workers in latest development/research, innovations in the coir sector.
- b) Imparting training to society functionaries and workers of coir co-operatives for the better management of the societies including skill up-gradation, training for quality assurance in products, entrepreneurship development activities.
- c) Activities related to running of project management units to monitor second restructuring of coir sector.
- d) Assistance to Apex Body of Coir (ABC)
- e) E-governance activities such as modernization of the department by completing computerization based on IT Master Plan, AMC, procurement of hardware, software, maintenance of the website, and Infrastructure development

An amount of ₹ 250.00 lakh is provided for the scheme in the Budget 2024-25.

4. Grant for Centres for Research and Development in Coir Technology

(Outlay: ₹ 700.00 lakh)

The objective of the scheme is to support research and development activities which can bring innovations, new products and new services in the Coir sector. The scheme intends to undertake in house R&D activities as well as outsource R&D required to improve the coir sector as a whole to enhance productivity in the sector. Activities include bringing innovation in mechanization/technologies, creation of diversified coir products with high value addition, development of product designs, hiring professionals/technical experts, providing grants to educational institutions/universities for carrying out research activities, improving infrastructural facilities and meeting project based and operational expenses of NCRMI. Impact study, market research, innovation support, demonstration units, knowledge dissemination, support for technology transfer and industry collaborations are also part of the scheme. Emphasis is on issue based R&D, focusing on process improvement in the extraction of fibre, pollution free retting, modernization of production infrastructure, new product/process development (especially on non-woven sector), product diversification etc.

An amount of ₹ 700.00 lakh is provided for the scheme in the Budget 2024-25 for the above activities.

5. Marketing, publicity, propaganda, trade exhibitions and Assistance for setting up of showrooms

(Outlay: ₹ 350.00 lakh)

The objective of the scheme is to promote the business in Coir sector by popularising the activities in the coir sector and strengthening market interventions for overall development of the sector. The outlay provided in the budget is for attending and organizing trade fairs, seminars at State, National & International level, Brand building and market awareness in India and International market, support to coir co-operatives, Coir PSU's and other institutions/departments in the coir sector for participation in trade fairs/exhibitions, buyer-seller meet, coir mart, popularisations of scheme/activities, conducting studies, enumeration, documentation of activities, project report preparation, conducting seminars/awareness camps/workshops, giving awards and scholarship in the coir sector, and balance works of Coir Museum at Alappuzha etc. An amount of ₹ 350.00 lakh is provided for the scheme in Budget 2024-25.

6. Market Development Assistance for the sale of Coir and Coir Products (50 per cent State Share as matching fund)

(Outlay: ₹ 1000.00 lakh)

The objective of the scheme is to promote the sale of coir and coir products of co-operatives and PSUs thereby encouraging sustained production and better employment to workers. Assistance is provided for publicity, renovation of godowns, market study and innovative marketing strategies including payment of discounts, introduction of e-commerce facilities, upgradation of design facilities as per Govt. of India norms along with central share. The incentives shall be input output linked for the products of Coirfed, Fomil, Kerala State Coir Corporation and Coir co-operatives as applicable based on total turnover of respective institution and that of the sector as a whole, taking into account employment generated and value addition in the value chain. Care should be taken to avoid duplication of assistance under other schemes like Price Stabilization Fund, Income Support Scheme etc.

The provision can be utilized as matching fund State share for assistance received from Government of India. An amount of ₹ 1000.00 lakh is provided in the Budget 2024-25 for the above activities.

7. Production and Marketing Incentive (PMI)

(Outlay: ₹ 900.00 lakh)

Production and Marketing Incentive (PMI) scheme is for providing assistance to promote production, marketing and export of coir and coir products including PVC and rubberized coir products and coir geo-textiles by the Primary Co-operative Societies, mats and mattings societies, Apex societies, and public sector undertakings like Kerala State Coir Corporation and Form Mattings (India) Pvt. Ltd. The objective is to encourage sustained production so as to facilitate sale in coir sector and thereby generate more employment opportunities in the sector. A portion of the amount can be utilized for promotion and marketing of heritage products. Assistance shall be based on actual sales turnover of the institutions and input output linked, taking into account employment generated/value addition on products. Care should be taken to avoid duplication of assistance in the form of incentives proposed under Market Development Assistance scheme as well as other assistance under income support scheme and alike at various stages in the value chain. An amount of ₹ 900.00 lakh is provided for the scheme in the Budget 2024-25.

8. Price Fluctuation Fund

(Outlay: ₹ 3800.00 lakh)

The scheme intends to stabilize the price of coir fibre, yarn and coir products. This scheme aims to make the COIRFED, KSCC and FOMIL capable to procure the products from co-operatives by giving price at par with the production cost and compensates the loss, if any, sustained while selling at market prices. The co-operative societies, small scale producers and apex organizations will be directly benefited and it will indirectly benefit the entire coir workers by ensuring statutory wages. The incentives shall only be for the materials purchased through COIRFED, KSCC and FOMIL. It shall be based on total sales turnover of the respective institutions comparing input output linkages and employment generated/value addition on products. Due care should be taken to avoid duplication of assistance at various stages in the value chain under other incentive schemes. An amount of ₹ 3800.00 lakh is provided in the Budget 2024-25 for the above activities.

9. Coir Geo Textiles Development Programme

(Outlay: ₹ 80.00 lakh)

Coir Geo textiles are natural, eco-friendly erosion control blankets in woven and non-woven forms. The comprehensive Coir Geo Textiles Development Programme includes developing new products and applications of geo textiles, piloting model projects using Geo Textiles as a standard engineering material, awareness programmes on Geo-Textiles, strengthening of R&D and orientation on Geo-Textiles. The assistance can be given to Coir PSUs and National Coir Research & Management Institute (NCRMI). The assistance can also be used to pilot model Geo-textiles projects with specific outcomes by joining with Public Works Department, Irrigation Department, Local Self Government Institutions and similar agencies. An amount of ₹ 80.00 lakh is provided for the scheme in the Budget 2024-25.

10. Government Share Participation for Coir Co-Operatives

(Outlay: ₹ 15.00 lakh)

The scheme intends to strengthen the share capital base of the co-operatives in the coir sector. Existing societies which have not availed the eligible amount in full can also avail the assistance based on clear cut viable proposals for modernization/diversification with specific outcomes. An amount of ₹ 15.00 lakh is provided in the Budget 2024-25 for this scheme.

11. Re-organization of coir industry - 2nd phase (NCDC Assistance)

(Outlay: ₹ 1.00 lakh)

As part of the second re-organization of Coir industry, Government has set up a clearly defined agenda for modernization based on a comprehensive scheme. A distinctive feature of the modernization strategy/scheme is social protection guaranteed to the traditional coir industry workers. Apart from the allocation of funds under State Budget, as matching fund, assistance from NCDC is included for the project. The thrust areas included in the scheme are technology enabled procurement and decentralized fibre extraction, distinct strategy for the traditional spinning and weaving sector, modernisation of industrial spinning and weaving sector, product diversification of industrial coir with focus on non-woven sector, institutional support for the coir sector (product development/R&D), and; marketing of public and private enterprises. A token provision of ₹ 1.00 lakh is provided in the Budget 2024-25 towards NCDC approved project. Activities shall be taken up based on the priorities laid out in the proposal submitted to NCDC.

12. Modernisation of Coir Project Offices

(Outlay: ₹ 50.00 lakh)

The scheme envisages modernisation of the administration and governance infrastructure of Coir Project Offices enabling a good working environment which in turn will improve the efficiency of the Coir Project Offices and Directorate of Coir Development. The activities cover upgradation/renovation of civil, IT and allied infrastructure works in Coir Project Offices in various Districts. An amount of ₹ 50.00 lakh is provided for this scheme in the Budget 2024-25.

13. Restructuring of Coir Production Societies and Managerial Subsidies

(Outlay: ₹ 350.00 lakh)

The main objective of the scheme is the revival and rejuvenation of coir co-operative societies with working capital and managerial support. This would enable the coir co-operatives to lighten its losses. The selection of co-operatives and quantum of assistance will be based on concrete project proposal submitted by the units. The expected outcome is increased overall production of spinning and product sector thereby generating more employment opportunities.

An amount of ₹ 350.00 lakh is provided for this scheme in the Budget 2024-25 for the following components:

Sl. No.	Components	Amount (₹ in lakh)
1	Revival and rejuvenation of coir co-operative societies	150.00
2	Working capital and managerial support	200.00
	Total	350.00