

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:179
ANSWERED ON:16.07.2004
COIR AS AN AGRICULTURE PRODUCT
Radhakrishnan Shri Varkala

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has received any request from the Government of Kerala to include Coir as an agricultural product under WTO agreement;
- (b) if so, details thereof alongwith the action taken by the Government thereon;
- (c) whether the Coir industry in the country is facing serious crisis;
- (d) if so, whether Government proposes to resume various assistance schemes that were in operation earlier to assist this industry; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (e): A Statement is laid on the Table of the House.
STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 179 FOR ANSWER ON 16TH JULY 2004 REGARDING `COIR AS AN AGRICULTURAL PRODUCT`

(a) & (b): Yes, Sir. The Government has been receiving representations from the State Government of Kerala from time to time for including coir under the scope of the Agreement on Agriculture (AoA) of the World Trade Organisation (WTO). The Government has already filed its negotiating proposals with the WTO for including products such as coir in the rationalization of product coverage in the AoA. The negotiations are scheduled to conclude by 1 January 2005.

(c) to (e): Shrinkage of husk due to disease caused by mites on coconut palms as well as drought in certain areas has resulted in poor yields of the coir fibre. The resulting high prices of coir fibre have made production of coir products uneconomical. The Government has not discontinued any financial assistance schemes in operation to assist the coir industry. On the contrary, in order to mitigate the scarcity of coir fibre a number of measures are being taken including identification of sources of supply in States such as Karnataka, Orissa and Andhra Pradesh to supplement the supplies from Tamil Nadu and Kerala, three de-fibering units have been set up in Alleppey District of Kerala to promote utilization of husk available locally, and various marketing arrangements have been made for distribution of coir fibre to small scale manufacturers of coir products.