

# Rubberised coir foam industry making big strides

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Although the rubberised coir foam industry is facing many problems now, its prospects are good, as there will be an intensification in the demand. It is also expected to export more items by improving its price and performance ratio



Rubberised coir foam mattress

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Rubberised coir foam available as mattresses, pillows, bolsters, cushions and carpet underlays are in great demand as it has many advantages compared to natural rubber latex and polyurethane foam. What are the prospects of the rubberised coir foam industry in the country? How can it solve the problems and boost its production and sales and face international competition?

Rubberised coir foam was first introduced in Europe and came to India four decades ago. In fact up to 1965 there were only 9 factories in the country making rubberised coir foam. All these factories were clustered in the south where rubber and coconut, the major raw materials are grown abundantly. In seventies, this industry lagged its performance as the producers failed to make good quality items. But in eighties, the industry again revived with the support of the Coir Board and other organisations. Now there are about 60 manufacturers scattered in South, North and North-East

Out of the total 60 units, Uttar Pradesh has 16, Kerala 7, Tamil nadu 7, Karnataka 6 and Maharashtra 5.

Out of 60, only 55 were producing this item in 1992-93 and the remaining were partially idle. All these 55 factories have a combined capacity of producing 48,172 tonnes of foam in a year. Production capacity of the industry was only 27,305 tonnes in 1988-89. Last year there was an in-

crease of 15.6 per cent installed capacity and in the current year it is expected to rise to 26 per cent if the new units proposed will install their machines.

## Capacity

Karnataka ranked first in production capacity followed by UP, Kerala, Tamil Nadu and Maharashtra. The table illustrates the share of production capacity in each state. It is understood that many new entrepreneurs have installed rubberised coir plants in UP, West Bengal and Maharashtra.

Production of rubberised coir foam in India has increased from 12,437 tonnes in 1988-89 to 22,763 tonnes in 1992-93 accounting an annual growth rate of 16.71 per cent.

Production for the succeeding years is estimated at 26,647 tonnes in 1994-95 and 29,263 tonnes in 1995-96.

Marketing of rubberised coir foam is being done through a network of dealers and distributors. The market for rubberised coir foam can be divided into three segments viz; domestic market, industrial/institutional market and export market.

Domestic market is generally for mattresses, pillows and cushions. These products are mainly marketed to the houses through dealers. Major sectors in institutional segments are automobile units like car manufacturers and state transport corporations for seat and back cushion requirement, air conditioner manufacturers

for air filters and public utilities like hospitals, hotels, auditoriums, theatres etc. for mattresses, carpet underlays and cushions.

Export market for rubberised coir product is concentrated in countries like Nepal, UAE, Germany, Greece, Italy, France and so on. Export of rubberised coir foam in seventies and eighties was very negligible. But in nineties, export has increased tremendously. Volume of export jumped from 2 tonnes in 1979-80 to 111.67 tonnes in 1992-93.

The prospects of this industry are good as growth is more than expected due to the existence of a favourable market.

There is a growing need for good quality and diversified products and considerable difference in prices compared to latex foam.

Development of end users like hospitals, public utilities, factories,

foam in the form of mattresses, cushions, pillows, and bolsters will also increase. Even with our family planning efforts, population in India may touch 100 crores by 2000 AD. Standard of living of middle class families in urban and rural areas is fastly growing. Per capita consumption expenditure of household family in our country is expected to increase 38 per cent by 2000 AD than that of in 1989-90

Railway and defence which display very high growth rate in recent years require rubberised coir foam in large quantity. In the automobile sector, all categories of vehicles, particularly buses and trucks now use rubberised coir foam in the place of latex and polyurethane foam. Use of rubberised coir foam in hospitals and health centres is also growing fastly in recent years. Over and above the indigenous market, there is also good

tance on commitment, distribution, design and pricing. Though price plays a dominant role in the purchase of rubberised coir foam, a section of consumers like automobile manufacturers and transport corporations is still using latex foam without caring its price. But the individual and household consumers of these are more price sensitive. It also reinforces the need for developing a new distribution channel like factory outlets, off-price stores and other new forms of discount operations.

### Domestic market

Efforts to exploit the untapped domestic market is another important function to be taken into consideration. Traders must be able to adopt different means to assess the market prospects in the urban and rural areas in the first instance and to identify buyers to approach subsequently. Discount pricing and inventory methods will also shoot up sales in rural areas.

The industry should strengthen its position in the export market by adopting niche marketing principles for the supply of higher value added rubberised coir foam products as a means of differentiating their export offer from existing mass market suppliers. Exporting firms should also form a central agency to co-ordinate the export activities like undertaking bulk export order and implement systems of quick and efficient delivery of the export market.

Although the industry is facing few problems, the prospects of this business are good. There will be an intensification in the demand for rubberised coir foam in the future. Particularly good prospects exists in offering competitive products. It is expected that the country will further capture its share in the export market in the coming years by improving its price/performance ratio through efficient manufacturing practices. □

### Production capacity (State-wise) of rubberised coir foam:

State	Production capacity %
Karnataka	20.84
U.P.	20.83
Kerala	11.86
Tamil Nadu	10.36
Maharashtra	9.76
West Bengal	6.48
Others	19.87
Total	100.00

automobiles, etc; and the fast rate of its application highlights the demand potential of rubberised coir foam. Regarding household consumption, demand is directly related to standard of living and population growth. As standard of living increases corresponding to population explosion, demand for rubberised coir

potential in the export market for all kinds of rubberised coir foam products. With the right type of product innovation and manufacture, this industry can compete very well in the global market.

### Competition

Competition in the market is staggering. This places utmost impor-