

# An economic analysis of production performance of coir fibre industry in Western region of Tamil Nadu

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## ABSTRACT

Coir is a unique natural fibre used in diverse applications of great economic importance. In the coir fibre sector, Tamil Nadu occupies the first place as being the single largest producer of brown fibre contributing to about 65 percent of total production in India (Directorate of Industries and Commerce, Government of Tamil Nadu). The production performance of coir fibre industry have been examined using primary data collected from 60 sample coir fibre producers and the tobit model has been employed to analyse the factors that actually contributed to more fibre production. Garrett's ranking technique was used to identify the constraints faced by the coir fibre producer. For every rupee of investment in coir fibre processing, about Rs 1.17 was obtained as returns, indicating its profitability. The factors such as education, experience, total investment, total electricity cost, quality maintenance, auto feeder and husk auto feeder were found to be significantly and positively influencing the more production of fibre. The labour hour was found to be negatively influencing for more production of fibre. The traders were the main source of information which were ranked first followed by neighbours and internet. The major problems faced the coir fibre producers were inadequate labour and limited electricity. The study has clearly brought out the urgency of developing innovative technologies to reduce the labour usage and uninterrupted electricity which lead to maximum production and compete in international markets.

**KEY WORDS :** Coir fibre, Costs and returns, Production, Garrett's ranking technique, Tobit model

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