

# THE COIR ASSOCIATION

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## **Hackled Brush Fibre (Coco Bristle Fibre)**

The last 18 months have seen an unprecedented increase in the price of Coco Fibre, for both domestic use and export from Sri Lanka, this deserves some discussion as it is a trend that warrants explanation to the industry.

For a number of years we have seen a steady price increase for Coco Fibre which, by and large, is due to a reduced supply. One explanation is the use of new machinery for the processing of coconut husks, while this new technology has reduced labour for the extraction of mattress fibre it does not maximise the extraction of all the long fibre in the same way as the more traditional methods. Furthermore, supply has been affected by more stringent controls on quality, as demanded by the faster machinery now being used within the international brush industry. The reduction in supply of good quality fibre has also been further exacerbated by an increased trend for migrant labour in Sri Lanka, workers are increasingly leaving the traditional coconut industries in the rural areas in favour of employment within the garment industries based in and around Colombo.

While the general trend for an increase in price over the last few years has been warranted through improved quality of fibre and working conditions, the price increases of the last 18 months and particularly the first half of 2010 has surprised the industry. During 2010, fibre for export has seen percentage increases of between 10-25% depending on the supplier. Manufacturers within Sri Lanka have fared even worse with increases of up to 50% being reported, it is also worth noting that domestic sales have not seen the improved quality that has benefitted the export fibre.

The reasons for the most recent price increases can be explained by a recent spike in demand from Indian and Chinese buyers who are reported as buying very large volumes of the long coconut husk fibre that is used to produce the 2 Tie and 3 Tie Hackled qualities that are used in the brush manufacturing industry. These large volumes have pushed prices much higher to levels that would have previously been considered unsustainable. That said with the Indian and Chinese buyers continuing to purchase high volumes with little regard to quality, we do not expect prices for Hackled Coco to do anything but continue to increase in the short to medium term.

Similar price trends have been seen in the Bassine/Palmyra markets, with Chinese buyers now buying increasingly large volumes of Kakinada and Tuticorin qualities while the supply of available material has decreased due to poor harvests and a lack of skilled labour.

Generally speaking, we expect price increases to continue for all natural brush fibres.

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