THE COIR ASSOCIATION

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Brush Fibre Report 2012

As we know, the increased demand for Coir Mixed Fibre from China over recent years has reduced the availability of long fibre for the production of Coco Brush Fibre. As such, we have seen some consolidation in the industry concerning the export of Brush Fibre and, in other cases, a number of exporters have closed as the margins and quality of long fibre have not provided sustainable trading conditions.

The last six months of trading have seen a reduced demand from the large volume Chinese buyers of Mixed Fibre and while one would expect a considerable increase in the availability of long fibre and consequently a large reduction in price for Brush Fibres, this has not been the case. Certainly there has been a small reduction and millers have been looking for more orders but, for the most part, the exporters of Mixed Fibre are maintaining stocks waiting for the Chinese buyers to return with their big volume buying. Furthermore, the previous consolidation of Coco Brush fibre exporters has meant that there are fewer opportunities for buyers to accurately compare pricing, particularly where special qualities are concerned. Nevertheless, business continues and experienced traders are able to pick up new orders by assuring quality where some end users have had the misfortune to receive poor material from exporters who do not wildly differentiate between fibre for domestic production versus export quality. We do not expect the situation to change in the mid-term and for the time being it is a question of carefully selecting the best exporter for the customer, i.e is price, quality or prompt shipment the key requisite?

As for Bassine, with fewer shippers in the market we have seen higher prices from most exporters but surely it is only a matter of time before this becomes unsustainable. With synthetic alternatives now trading at a discount to most natural fibres, it seems reasonable to imagine that unless pricing and service improves then Bassine will continue to become a product of the past, before it ultimately becomes extinct. Quality has been variable over the last 12 months and some exporters have been shipping the lesser Chinese quality to European customers, this only exacerbates the price increases as customers start shopping around and pushing export prices higher with the illusion of increased volumes in the market place. Higher wages for labour, less material available and limited skills for fibre production all ultimately point to higher pricing and reduced availability. That said, brush manufacturers get a faster, more profitable output from synthetic alternatives with less waste and more reliable supply. As such, unless the shippers in Tuticorin and Kakinada improve pricing and availability, we do not imagine that the situation will improve.

Matthew Ralph
Gover, Horowitz & Blunt Ltd
06.06.12

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Coir Yarn Report 2012

Coir Yarn 2012
A 10% increase in exports by volume over the previous year really signifies a return to a degree of stability in the Indian Yarn market.

The fibre demand from China remains very substantial (a growth of 50% year on year) and the yarn manufacturers have managed to cope with this without any delays to shipping and maintaining a steady quality. The current increase in freight rates poses a very serious threat to the future market for yarn.

Stephen Horowitz
Gover, Horowitz & Blunt Ltd
11.06.12

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Mattress & Twisted Fibre Report 2012

As usual, the Chinese market has dominated the interest over the past year but not for the same six months period demand was good but for the second period of six months demand suddenly dropped. This lead to overnight price reductions for mixed baled fibre and FMT. Over the latest few weeks there has been a slight improvement and it is to be hoped that the improvement will continue. Business in the market remains low but steady.

Terry Keeping
Gover, Horowitz & Blunt Ltd
11.06.12