

Summer Project

Value Chain Analysis and Study of Potential Market for Bamboo Products

**Vikas Bazar.net
Ranchi, Jharkhand**

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CERTIFICATE OF APPROVAL

The following Summer Internship Report titled, “Value Chain Analysis And Study of Potential Market For Bamboo Products” prepared by Prashant Kumar And Ruchi Srivastava of Faculty of Management Studies – Institute of Rural Management, Jaipur is hereby approved as a certified study in management carried out and presented in a manner satisfactory to warrant its acceptance as a prerequisite for the award of Post Graduate Diploma in Rural Management for which it has been submitted.

Mrs Nandini Sen
CEO, Vikas Bazar
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EXECUTIVE SUMMARY

Indian handicraft is a sector which not only carries a large amount of skills but also a huge manpower. Handicraft industry is the 2nd biggest source of employment spread not only in urban while rural areas as well. People practicing this profession are carrying forward the traditional art of the country and are a single means of livelihood for them.

The market of these items is divided into two segments:

1. Utility items
2. Decorative items

In bamboo handicrafts the condition of craftsmen is miserable. In Jharkhand they are traditionally practicing this craft for making utility items but due to initiatives of Govt. the focus is changing towards decorative items.

In the total value chain, the major problem is with the procurement of raw material; as the bamboo is not grown commercially in Jharkhand and the craftsmen themselves don't grow, reason being the castes practicing this craft (**Mahlis, Kalindis, Turis**) are almost landless and belong to marginal section. The major shortage occurs in **rainy season**. The problem of raw material exists for both utility items as well as decorative items.

The other major problems that exist in bamboo handicrafts are given (section wise) as follows:

Decorative items:

- At the producer's end:
 1. Lack of adequate and regular marketing
 2. Lack of capital
 3. Lack of value addition and technology
 4. Scarcity of raw material, both in quantity and quality
 5. Lack of storage space and artisans have no proper space to work.
- At the market end:
 1. Irregular supply
 2. No regular improvement in designs
 3. Irregular production
 4. Lack of production according to International Standards (Color and treatment)
- At the intermediary's end:
 1. Unable to meet the orders due to irregular production.

Utility items:At the producer's end:

1. Loss of huge profit margin due to presence of intermediaries.
2. Low returns for the work involving manual skills and hard labor.
Craftsmanship is the only means of livelihood.
3. Scarcity of cheap raw material.
4. Lack of capital.
5. Lack of proper space to work.
6. Problem of production and sales in rainy season.

At the market end:

- a. Supply surplus and supply deficit areas.
- b. Limited customers.
- c. No specified suppliers and whole sellers; unorganized market.
- d. Sale is seasonal, but the production is not sufficient to meet the seasonal demand.

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1. INTRODUCTION

SOME FACTS ABOUT JHARKHAND

Geographical area:	79714 sq kms
Forest Area:	23325 sq kms
No. of villages:	32620
Villages electrified:	14667
Per capita income:	248.31\$
Monthly per capita	
Consumption:	9.95\$
Rural roads:	7678 kms
NH:	5805 kms

Bamboos are among the fastest growing plants on the earth. Found on every continent except Europe, bamboo has been an integral part of the cultural, social and economic traditions of many societies, in East and South East Asia, and in India's North East region. Millions of people continue to depend on it for their livelihood, and for innumerable and varied household and functional uses.

Bamboo handicrafts and furniture is produced throughout the North-East. In most part of the country small- scale cultivation of bamboo is done for self-consumption. In N-E the use of cane and bamboo is ubiquitous. Every tribe and community puts these materials to aesthetic yet functional use, their skills evolved over centuries of usage. Commercial cultivation of bamboo is not found normally.

Productivity in this sector is low because of limited knowledge, lack of skills and basic tools. Quality is generally poor due to several reasons:

- Bamboo used for handicrafts and furniture is not mature enough.
- Bamboo is not treated.
- Improper handling.
- Lack of finishing material and skills.

In Jharkhand, Mahlis, Turis, Kalindis, Manjhis are the major producers of bamboo handicraft. They are engaged traditionally in this profession. Kalindis, and Turies are schedule cast people. While Manjhi and Mahlis are schedule tribe. All belongs to most disadvantaged class. They are land less and illiterate. They are not skilled worker, the have inherited this profession from their parents. They all work manually and their productivity is marginal. Thirty to forty year back when bamboo was available in jangle free of cost and their expectation were limited this

profession was quite lucrative but now time has changed this profession remains no more profitable, production cost has increase and artisans are getting price according labor, as a result new generation people are migrating to other income generation activity.

MARKET SEGMENT

The market is available for:

- Utility items
- Decorative or decorative cum utility items.

In the case of Jharkhand only the production for utility items was being done but the initiatives to change the focus has been started by the NGOs and Govt.

CHAPTER 2

RESEARCH DESIGN

Objectives of the study:

- To analyze the role of every key player of Bamboo value chain
- To find the gaps in value chain and suggestions for intervention

RESEARCH METHODOLOGY:

Type of research:

AT THE INITIAL STAGE : Exploratory Research

AT THE LATER STAGE : Descriptive Research

HYPOTHESIS

“There is a good market for bamboo production and by organizing artisans involved in this activity and filling gaps in the value chain, production and income of primary producers can be increased.”

DATA COLLECTION TOOLS:

- Questionnaire for Producer, Retailer
- Schedule for NGOs and Consumers
- In depth interviews with intermediaries
- FGD with producers
- Observation

TYPE OF DATA:

1. Primary data :

- Quantitative
- Qualitative

2. Secondary data –

1. Qualitative
2. Quantitative

SOURCES OF DATA:

- Field study
- Government departments and NGOs

SAMPLING:

TYPE OF SAMPLING:

Convenient sampling

NUMBER OF SAMPLES:

No. of clusters in the sample: 4
 No. of villages in each cluster: 4
 No. of artisans surveyed in each village: 4
 No. of markets: 6
 No. of retail outlets: 3
 No. of Govt. departments: 3

Total sample size: 91

STUDY AREA :

Producer area studied

Ranchi(Angada Block), Hazaribagh (Barhi block), West Singhbhum (Sonua block), Lohardaga(Lohardaga, Senha, Bhandra, Kisko Bolok)

Market Studied

and Kolkata (market). Upper Bazar, BahubazarMandar, Chanho, Makhmandro, Jonha markets were also studied a

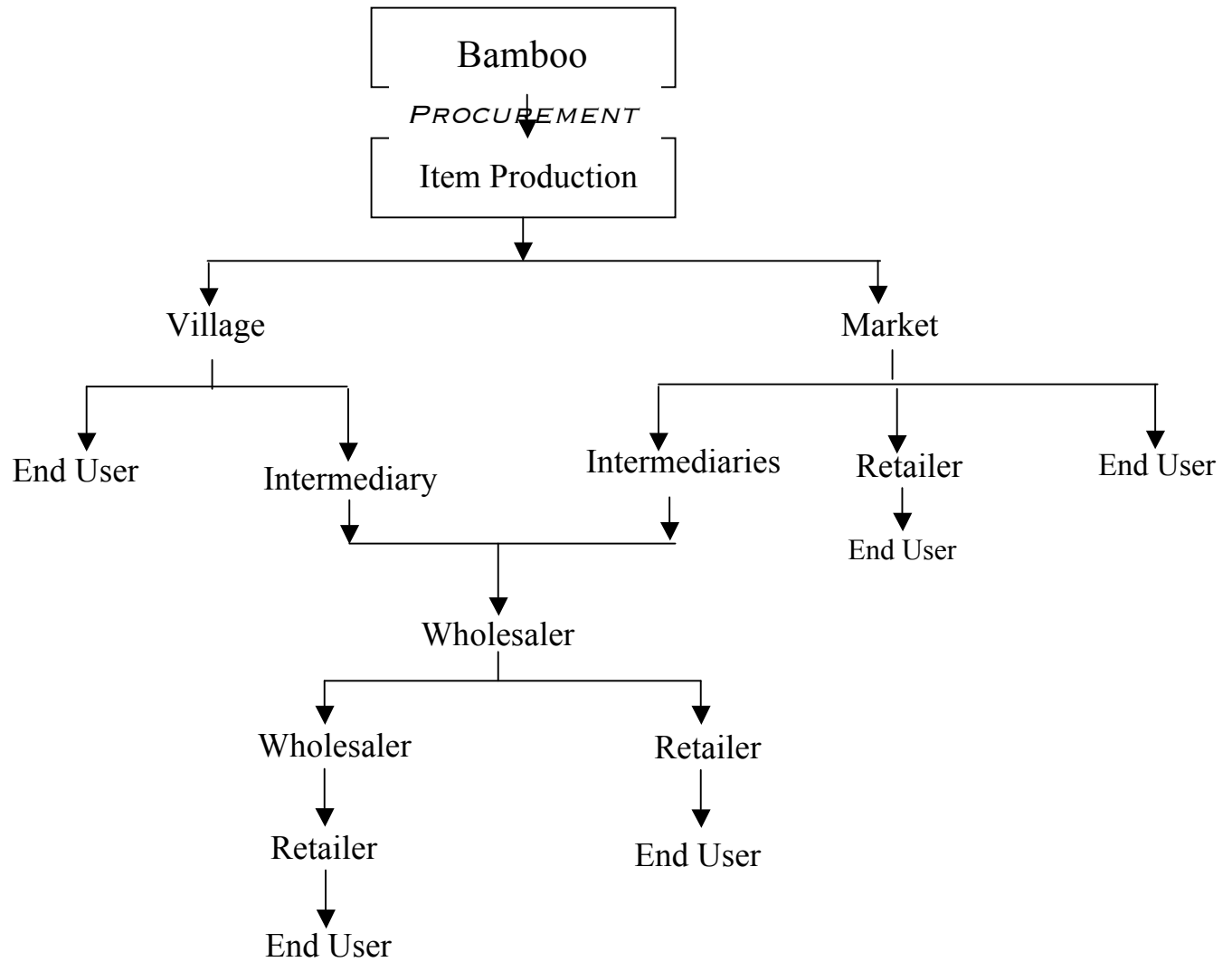
LIMITATIONS

- **GEOGRAPHICAL CONSTRAINTS**
- **NON AVAILABILITY OF QUANTITATIVE SECONDARY DATA ON BAMBOO HANDICRAFTS**
- **TIME CONSTRAINT**
- **NON AVAILABILITY OF ADEQUATE FIGURES FOR PRODUCTION AND SALES**

Chapter 3

PRODUCTION AND MARKETING OF MASS USE ITEM IN JHARKHAND

3.1 BAMBOO VALUE CAIN FOR MASS USE ITEM



3.2 CLUSTER WISE VALUE CHAIN ANALYSIS

Jharkhand is one of the major producers of bamboo. It has a huge forest resource. In which bamboo is one of major product. So micro enterprises based on bamboo product got chance to develop here. Bamboo product is produced in all part of Jharkhand. Quality and quantity varies in all part to some extent. In some part it is produced as main livelihood option while in other part where there is more employment opportunity it is produced as a part of their income generation activity.

In Jharkhand generally Mahli, Turi, Kalingi people are indulge in this profession. These people belong to Schedule Cast. Most of them are landless, that is why they started doing it. If few people have some land then also because of problem of capital they don't do agriculture work.

Out of 56 producer surveyed 92 per were landless and remaining who has land has less than 1 acre. In all village surveyed, problem of bamboo producer is common, their income, their limitation are common, their productivity is common. Most of the bamboo artisan in Jharkhand are marginal they work manually that is reason behind their low productivity and poverty.

3.2.1 RANCHI DISTRICT

BLOCK :- ANGADA

**VILLAGE: 1> KUTCHU
2> NAVAGARH
3> BELWADI
4> HESAL**

MAIN CASTS WORKING ON BAMBOO HANDICRAFT

- 1: Turi
2: Mahli

MAJOR ITEM OF THIS REGION

Major Items	Price Range(Rs)
Sup	15 – 20 Rs
Daura	25 – 60 Rs (According to size)
Tokri	25 – 35 (size)
Harka	50
Pankha	5
Khachia	20 - 40
Mauni	12-15

All these item are produced by all the artisans. But there are some items in which particular village is specialized.

- ⇒ Like Nawagarh people are specialized in production on of Tokri, Tupa and Chala all re chips item.
- ⇒ While Kutchu people are good in production of Sup and Daura.

SEASONAL EFFECT ON DEMAND AND PRODUCTION

Season /Festival	Product in Demand
Chatt/Diwali	Sup, Daura
Marriage	Mauni, Sup ,Daura
Summer (march – may)	Toki, Pankha, Tokri, Chala

In case of festival or season price and demand both increase. At chath and marriage time demand increase in such a rate that scarcity of product exist. People never keep stock for these occasions because of capital and storage space problem. In peak time also they produce the same quantity as the produce in general season. The reason behind it is problem of raw material and their manual working technique.

RAW MATERIAL (BAMBOO)

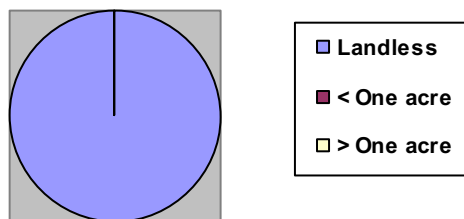
Bamboo is the major raw material used in production of bamboo craft. These are the major quality of bamboo used in production process by artisan of Angada block

Type of Bamboo	Price (Per Unit)	Availability
Ban Bans	10 – 25 (According to size)	Whole Year
Ropa Bans	20 – 40 (According to size)	Whole Year
Bandhni Bans	20 – 25 (According to size)	Sep - Oct

In these bamboo Ban bans is major raw material which mostly used in product it is long lasting. Bandhni bans is used at the border product to fasten them. Availability of bamboo is the major issue for producer. Earlier when bamboo was available in forest raw material was not a problem now bamboo is not available there, for KARIL people use to cut it in rainy season. Again there is no organized production of bamboo **people generally travels 8 –15 Km to get bamboo**. According to the respondent they travels village to village for raw material and many time it happens that after all days search they don't get even a single bamboo.

They are ready to Grow bamboo for their use but the **main problem is that they are landless**. They only have small houses so they are bound to purchase it.

Out of 16 respondent surveyed



In rainy season problem becomes severe when Karil comes out from bamboo bushes. At that time people stop selling bamboo that's why these artisan impelled to stop production.

PRODUCTIVITY AND COST BENEFIT ANALYSIS

Weekly Production per family = 15 – 25 item Per week (according to size of product)

Weekly Sales per family in monitory term = 200 – 250 (in General season)
300 – 350 (in peak season)

number of bamboo consumed per week = 3 – 4 of big size @ of 40 each
4 – 5 of big size in peak season

Income in general season

Average sales = $200+250/2 = 225$

Average rate of bamboo @35 each = $(105(\text{rate for 3 bamboo}) + 140(\text{rate of 4 bamboo}))/2 = 122 \text{ Rs}$

Weekly income = $225-122 = 103 \text{ Rs}$

Income in Peak season

Average sales = $300+350/2 = 325$

Average rate of bamboo @35 each = $(140 \text{ Rs}(\text{for 4 Bamboo}) + 175 \text{ Rs}(\text{for 5 Bamboo}))/2 = 157 \text{ Rs}$

Weekly income = $325-157 = 168 \text{ Rs}$

MARKET

Artisan of these are sell their product in local market or Bajar. Main market of these artisan is Jonha Bajar. Distance from village to market vary for 3 – 14 Km. Artisan from interior village travels through hilly an forest region to reach market. They sell their product to retailer and intermediary as they cannot afford to west time in market, they need to reach their village before sunset. Retailer purchases their product in cheaper then market rate some time just half of market rate.

While artisan from near by village sell their product to consumer directly in case of good market, other wise they also sell their product to retailer. Ranchi is the main market for product of Angada block and Bundu market. Retailer sells their product to wholesaler of Ranchi. From where these product are send to local maker like Gumla, Sesai, Mandar etc. these product is send to oter slate like West –Bangal also. There is a huge demand of product of these area by intermediaries who sell it in ranchi upper Bajar, Bahu Bajar, Tataisilve. But problem is rate.

Major market for Angada Block..

- Jonha Bajar
- Getal sut bajar
- Tatisilvey
- Upper Bajar ranchi

PROBLEMS OF ARTISANS

Being the marginal producer they face lots of problem. Their whole life is full with problem. Nothing is easy to them from raw material procurement to product selling. Their production process is so unorganised that nothing is fixed or structured neither raw material procurement nor their customer nor marketing channel. They have countless problems.

- ⇒ They have land to produce raw material. So they purchase it from others who have bamboo bushes.
- ⇒ They generally travel 14-15 Km for it that takes 1 – 2 days. Due to scarcity people charge a good amount. So their production cost is high. Some time due to unavailability of raw material they stop their work.
- ⇒ Their per day family income is 18 – 20 Rs per day per family. So they have scarcity of capital they sell their product in Bazar on a weekly basis and for that money they purchase raw material and as usual are left with 100-125 Rs for week. So they cannot purchase 1-2 pc extra bamboo as it creates imbalance in their family budget some time even in peak season. So their income is constant.
- ⇒ They never keep stock of product at festival season due to lack of capital.
- ⇒ They don't have a common place to work their houses are so small to work, so they work in open places where it is very difficult to work in summer and rainy season.
- ⇒ Rate is also an issue they don't get rate according to their labour.
- ⇒ Market is unorganised in local bazaar customer is in few number in large market like Ranchi, Tatisilvey etc they cannot sell their product because local retailers don't let them to sell they purchase their product.

So they have lots of problem but the four major problems are

- Raw material
- Capital
- Rate
- Market

3.2.2 HAZARIBAG DISTRICT

BLOCK : BARHI

**VILLAGE : 1> KONDARA
2> HARLA**

MAIN CAST WORKING ON BAMBOO HANDICRAFT

- 1: Turi
- 2: Mahli

MAJOR ITEM OF THIS REGION

Major Items	Price Range(Rs)
Sup	15 – 20 Rs(According to festival)
Daura	60 - 80 Rs (According to size and time)
Tokri	25 – 35 (size)
Harka	60 – 70
Pankha	4 –5(seasonal selling)
Dauri	45 –50 (according to occasion)
Dala	25 –40 (according to size and season)
Mauni	12 –14 (seasonal selling)
Khaicha	20 – 30

SEASONAL EFFECT ON DEMAND AND PRODUCTION

Season /Festival	Product in Demand
Chatt/Diwali	Sup, Daura
Marriage	Mauni, Sup ,Daura
Summer (march – may)	Pankha, Tokri, Chala

In case of festival or season price and demand both increased by 5 – 20 Rs as per size and rate of product. At the time of chatt and marriage demand increase higher rate then production so scarcity of product exist in the market. The time of festavle total production of the are never increase but in actual term but at that time all artisan start production of demanded item so demand is scarcity is taped by them. These never keep stock of product before chatt and marriage at these time also they supply same quantity of product as it use to be in general season reason is capital problem, storage space, raw material and their manual working technique.

***** AT THE TIME OF CHATH, EVERY WEEK 10000- 11000 PC
PRODUCTS ARE SENT TO DIFFERENT PLACES

***** at this time major demand comes from intermediaries and local retailer who send items to Patna which is the biggest market for Sup and Daura at the time of Chatt.

***** At time of festival retailer also increase their price according to demand and supply.

RAW MATERIAL

Bamboo is the major raw material used in production of bamboo craft. These are the major quality of bamboo used in production process by artisan of Barhi block

Type of Bamboo	Price (Per Unit)	Availability
Ban Bans	25 -40(According to size)	Whole Year
Gaon Bans	25 -35 (According to size)	Whole Year
Bandhni Bans	20 – 25 (According to size)	Sep - Oct

In these verities Ban bans is major raw item, which mostly used in products, it is long lasting. Availability of bamboo is the major issue for producer. Earlier when bamboo was available in forest raw material was not a problem now bamboo is not available there, for KARIL people use to cut it in rainy season. Again there is no organized production of bamboo, problem is more severe here then ANGADA, here **people travels 30 –35 Km up and 30-35 Km down to get bamboo which takes 1.5 - 2 days only in procurement of raw material**. According to many time it happens that after all days search they don't get even a single bamboo.

They are ready to Grow bamboo for their use but the **main problem is that they are landless**. They only have small houses so they are bound to purchase it.

In rainy season problem becomes severe when KARIL comes out from bamboo bushes. At that time people stop selling bamboo that's why these artisan impelled to stop production.

*****Out of sixteen respondent of two villages not even a single respondent was possessing land except their house.

***** Average use of bamboo per family per week is 3-4 of big size.

PRODUCTIVITY AND COST BENEFIT ANALYSIS

Weekly Production per family = 15 – 25 item Per week (according to size of product)

Weekly Sales per family in monetary term = 250 – 300 (in General season)
400 – 450 (in peak season)

number of bamboo consumed per week = 3 – 4 of big size @ of 40 each
4 – 5 of big size in peak season

Income in general season

Average sales = $250+300/2 = 275$

Average rate of bamboo @35 each = $(105(\text{rate for 3 bamboo}) + 140(\text{rate of 4 bamboo}))/2 = 122 \text{ Rs}$

Weekly income = $275-122 = 153 \text{ Rs}$

Income in Peak season

Average sales = $400+450/2 = 425$

Average rate of bamboo @35 each = $(140 \text{ Rs}(\text{for 4 Bamboo}) + 175 \text{ Rs}(\text{for 5 Bamboo}))/2 = 157 \text{ Rs}$

Weekly income = $425-157 = 268 \text{ Rs}$

Reason behind the high income is that both village if nearer to market so they prefer to sell customer directly and as the product of their region are sent to Patna so in season scarcity of product takes place that cause good rate for customer as well as from intermediaries.

MARKET

Artisan of these are sell their product in local market or Bajar. Main market of these artisan is BARHI BAJAR. Distance from village to market vary from 3 –15 Km. It was found Artisan from interior village sell their product directly to retailer / intermediaries who directly procure product from village. But problem is that retailer purchases their product in cheaper than market rate some time just half of market rate. In this block selling product is not an issue there is a huge demand of product in almost all season by intermediaries but people don't prefer to sell them because of rate.

While artisan from near by village sell their product to consumer directly in case of good market, other wise they also sell their product to retailer . BARKATT, CHAUPARAN, BARA and KODARMA is the main market. Retailer sell their product to wholesaler of these markets. From where these products are sent to local maker.

Major market for Angada Block..

- Local village
- Barhi
- Barkatt, Champaran (Bihar)
- Bara, Chatti, Kodarma

SIZE OF MARKET

Per family per week production = 15 –20 item (of different size)

Market rate of item of produced item = 200 – 250 (in general season)

400 –450 (in peak season)

on and average product comes to Barhi Bajar = 2500 –3000 Rs

At the time of Chath, every week 10000- 11000 pc products are sent to different places.

From

PROBLEMS FACED BY ARTISANS

Being the marginal producer they face lots of problem. Their whole life is full with problem. Nothing is easy to them from raw material procurement to product selling. Their production process is so highly unorganised that nothing is fixed or structured neither raw material procurement nor their customer nor marketing channel. They have countless problems.

- ⇒ They have land to produce raw material. So they purchase it from others who have bamboo bushes.
- ⇒ They generally travel 30 – 35 Km to get bamboo that takes 1 – 2 days. Due to scarcity people charge a good amount. So their production cost is high. Some time due to unavailability of raw material they stop their work.
- ⇒ They all are very poor their per day family income is 19 – 20 Rs per day per family. So they have scarcity of capital they sell their product in the bazaar on a weekly basis and for that money they purchase 3-4 bamboo as usual and left with 100-125 Rs for week. So they even cannot purchase 1-2 pc more bamboo to increase production. So their income is constant.
- ⇒ They never keep stock of product at festival season due to lack of capital.
- ⇒ They don't have a common place to work their houses are so small to work, so they work in open places where it is very difficult to work in summer and rainy season.
- ⇒ Rate is also an issue they don't get rate according to their labour.
- ⇒ Market is unorganised in local bazaar customer is in few number in large market they cannot sell their product because local retailers don't let them to sell they purchase their product.
- ⇒ One major problem of these artisans is that the size of BARHI BAJAR is very small so one of them comes late not get space in the market and left with no option but to sell in the hand of retailer.

So they have lots of problem but the four major problems according to respondents are

- Raw material
- Capital
- Rate
- Market

3.2.3 LOHARDAGA DISTRICT

BLOCK :

1. LOHADAGA
2. SENHA
3. BHANDRA
4. KISKO

VILLAGE :

- 1> RAMPUR
- 2> MORKI
- 3> JAMGAI
- 4> KOTCHA

MAIN CAST WORKING ON BAMBOO

- 1: Turi
- 2: Manjhi

MAJOR ITEM OF THIS REGION

Major Items	Price Range(Rs)
Sup	15 – 20 Rs
Daura	50 – 60 Rs (Accoring to quality)
Tokri	25 - 50 (According to size)
Natchua	15 - 20
Dalia	10 -12
Toki	10 –15 (According to size and quality)
Pankha	4 –5
Pathya	60 -65

Among all these items Daura, sup, Pathya, and natchua are the major item which are produced by all artisan throughout the year and have whole year market.

*******Vegetable Tokri** has good demand trough out the year in medium and big marker of this district

SEASONAL EFFECT ON DEMAND AND PRODUCTION

Season /Festival	Product in Demand
Chatt/Diwali	Sup, Daura
Marriage	Mauni, Sup ,Daura
Summer (march – may)	Pankha, Pankha, Thaicha, Natchua
October – December	Sup, Natchua, Daura

In case of festival or season price and demand both increased by 3 – 15 Rs as per size and rate of product. At the time of chath and marriage demand increase higher rate then production so scarcity of product exist in the market.

September – December is the peak season when demand and price of products increase.

December - May is the good season when producer get good demand and price of product.

At the time of Chath, Dipawali and marriage time demand from consumer and intermediaries side increase so much. At this time large quantity of product are sent to Ranchi. At this time intermediaries give advance to producer and procure material from their village. Amount of this advance is 10-20 percent of selling price. At that time local retailer also bring product from Chandawa and Balumath to sell in Lohardaga Bajar.

RAW MATERIAL

Bamboo is the major raw material used in production of bamboo craft. These are the major quality of bamboo used in production process by artisan of Barhi block

Type of Bamboo	Price (Per Unit)	Availability
Ban Bans	25 - 40(According to size)	Whole Year
Gaon Bans	20 – 40 (According to size)	Whole Year

In these verities Gaon Mans is major raw item, which mostly used in products, it is long lasting. Availability of bamboo is the major issue for producer. Earlier when bamboo was available in forest, raw material was not a problem now bamboo is not available there, for KARIL people use to cut it in rainy season. Again there is no organized production of bamboo, here **people travels 15 - 16 Km up and same down to get bamboo which takes 1.5 - 2 days only in procurement of raw material**. According to them much time it happens that after all day's effort they don't get even a single bamboo.

They are ready to Grow bamboo for their use but the **main problem is that they are landless**. They only have small houses so they are bound to purchase it.

In rainy season problem becomes severe when KARIL comes out from bamboo bushes. At that time people stop selling bamboo that's why these artisan stop production in rainy season.

*****Out of sixteen respondent of Four village only 2 people have land but less then one acre.

***** Average use of bamboo per family per week is 3-4 of big size.

PRODUCTIVITY AND COST BENEFIT ANALYSIS

Weekly Production per family = 15 – 25 item Per week (according to size of product)

(Their productivity is same every time but at peak time their profit increase because at that time demand and price of particular item increase so they all produce the same item and at that time they get good margin on per unit of that product so in season their profit generally increase)

Weekly Sales per family in monetary term = 200 - 225 (in General season)
400 – 425 (in peak season)

number of bamboo consumed per week = 3 – 4 of big size @ of 40 each
4 – 5 of big size in peak season

Income in general season

Average sales = $200 + 225 / 2 = 212$

Average rate of bamboo @35 each = $(105(\text{rate for 3 bamboo}) + 140(\text{rate of 4 bamboo})) / 2 = 122 \text{ Rs}$

Weekly income = $212 - 122 = 90 \text{ Rs}$ in general season (not in rainy season at that time they almost stop production)

Income in Peak season

Average sales = $(400 + 425) / 2 = 412 \text{ Rs}$

Average rate of bamboo @35 each = $(140 \text{ Rs}(\text{for 4 Bamboo}) + 175 \text{ Rs}(\text{for 5 Bamboo})) / 2 = 157 \text{ Rs}$

Weekly income = $412 - 157 = 255 \text{ Rs}$

In rainy season most of them stop production and work on paddy field on daily wage basis where they get

MARKET

Artisans of these products are sell their product in local market or Bajar. In every block there is a main Market where artisan of surrounding village sell their product. when they produce I big quantity and then they sell in Lohardaga. Distance from village to market vary from 1 –15 Km. It was found Artisan from interior village sell their product directly to retailer / intermediaries who directly procure product form village. But problem is that retailer purchases their product in cheaper then market rate some time just half of market rate. The main problem that these marginal produce face is that in peak season there all product are purchased by consumer directly because at that time demand is higher or if intermediaries purchase they give good price but at in general season they face problem of quantity as retailer keep good quantity so people prefer purchase from these retailer so at the end of the day these retailer left with no option but to sell their product to retailer or intermediary.

In Lohardaga it is found that retailer on intermediary give advance for product, I happens in peak season when demand is higher then production. Biggest market in this area is Lohardaga but problem is that here retailers are big and organized and they take most of products. Here producer's role is meager. They purchase these products in bulk. Without grading the product on quality basis. So producer also find it comfortable.

Major market for Lohardaga District..

- Local village
- Bbandra
- Kisko
- Lohardaga
- Senha
- Ranchi

SIZE OF MARKET

PRODUCTION LEVEL :

Per family per week production = 15 –20 item (of different size)

Market rate of item of produced item = 200 – 220 (in general season)
400 –425 (in peak season)

In Lohardaga market alone every week goods worth Rs15000 comes
 On which goods worth producer brings product of Rs 3000 every week, most of them are purchased by local retailer in that market.
 Remaining product of Rs 12000, brought by retailer who purchase these items from village directly, or from Chandawa, Balumath etc.

PROBLEMS FACED BY ARTISANS

Being the marginal producer they face lots of problem. Their whole life is full with problem. Nothing is easy to them from raw material procurement to product selling. Their production process is so highly unorganized that nothing is fixed or structured neither raw material procurement nor their customer nor marketing channel. They have countless problems.

- ⇒ They have land to produce raw material. So they purchase it from other who has bamboo.
- ⇒ They generally travel 15-20 Km to get bamboo that takes 1 – 2 day. Due to scarcity people charge good amount. So their production cost is high. Some time due to unavailability of raw material they stop their work.
- ⇒ They all are very poor their per day family income is 12 - 15 Rs per day per family. So they have scarcity of capital they sell their product in bazaar on weekly basis and for that money they purchase 3-4 bamboo as usual and left with 100-125 Rs for week. So they even cannot purchase 1-2 pc more bamboo to increase production. So their income is constant.
- ⇒ They never keep stock of product at festival season due to lack of capital.
- ⇒ They don't have common place to work their houses are so small to work, so they work in open places where it is very difficult to work in summer and rainy season.
- ⇒ Rate is also issue they don't get rate according to their labor.
- ⇒ Market is unorganized in local bazaar customer is in few number in large market they cannot sell their product because local retailer don't let them to sell they purchase their product.

So they have lots of problem but the four major problems according to respondents are

- Raw material
- Capital
- Rate
- Market

3.2.4 CHAKARDHARPUR(WEST SINGBHUM)

BLOCK :- SONUA

VILLAGE: 1> UDAIPUR

2> NAVA GAON

3> JHINGA MIRCHI

4> DHOLABANI

MAIN CAST WORKING ON BAMBOO

1: Kalindi

2: Mahli

MAJOR ITEM OF THIS REGION

Major Items	Price Range (Rs) In local Market	Price Range For intermediaries
Sup	20 –22(According to season)	10 -12
Tokri	25 – 30	20 – 22 (Orrisa market)
Chala	10	10
Daura	70 – 90 (According to size and Quality)	60 - 70
Peti	100-120	
Jhuri	25 – 30	15
Khanchi	25 – 60	10 – 35
Dali	50 – 60	
Pankha	4 -5	

Apart from given products

- **Chupdi**
- **Vegetable Tokri**
- **Alu Dala**
- **Chupli**

are produced in large scale and these product are sent to Orrisa where there is a huge demean of these product. These products are sent there by wholesaler or intermediaries.

SEASONAL EFFECT ON DEMAND AND PRODUCTION

Season /Festival	Product in Demand
Chatt/Diwali	Sup, Daura
Marriage	Peti, Sup, Daura
Summer (April – July)	Toki, Pankha, Tokri , Chala, Dali

In case of festival or season price and demand both increase. At Chatt and marriage time demand increase in such a rate that scarcity of product exist. People never keep stock for these occasions because of capital and storage space problem. In peak time also they produce the same quantity as the produce in general season. The reason behind it is problem of raw material and their manual working technique.

In Orrisa seasonality also exist there but it doesn't players such a vital role as it plays in case of Bihar of Jharkhand. Demand form Orrisa remains constant for whole year

Apart from these seasonal item **Chala and Tokri is their major item which have whole year marke.**

Rainy season is main lean season for this sector it lies between **June –September.** Major problem in this is unavailability of raw material as at this time KARIL Comes out so people stop selling. Again at this time sales also goes down. As these people works in open places so in rainy season place to work also become a headache for these artisans. So they generally

stop work and migrate to other livelihood activity. Like they work on paddy field as daily wage laborer and in home construction.

RAW MATERIAL

Bamboo is the major raw material used in production of bamboo craft.
Major quality of bamboo used in production process by artisan of Sonua block

Type of Bamboo	Price (Per Unit)	Availability
Gaon Bans	25 - 35(According to size)	Whole Year
Sonari Bans	20 - 25 (According to size)	Whole Year
Bandhni Bans	10 per Ganth	Sep - Oct

In these Verities, Gaon Bans is the major quality of bamboo used by artisan it is long lasting. Availability of bamboo is the major issue for produce. There is no organized production of bamboo **people generally travels 30 –35 Km to get bamboo**. There is a huge scarcity of Bandhni Bans. **Bandhni Bans Comes from Orrisa** and it is so here there.

They are ready to Grow bamboo for their use but the **main problem is that they are landless**. They only have small houses so they are bound to purchase it.

Availability low quality of bamboo in Jharkhand
Creates problem in finishing of product.

*****Out of sixteen respondent surveyed in Four village all are landless

***** Average use of bamboo per family per week is 3-4 of big size.

PRODUCTIVITY AND COST BENEFIT ANALYSIS

Weekly Production per family = 15 – 25 item Per week (according to size of product)

(Their productivity is same every time but at peak time their profit increase because at that time demand and price of particular item increase so they all produce the same item and at that time they get good margin on per unit of that product so in season their profit generally increase)

Weekly Sales per family in monitory term = 225 - 250 (in General season)
(in peak season)

number of bamboo consumed per week = 3 – 4 of big size @ of 40 each
4 – 5 of big size in peak season

Income in general season

Average sales = $225 + 250 / 2 = 240$

Average rate of bamboo @35 of big size each = $(105(\text{rate for 3 bamboo}) + 140(\text{rate of 4 bamboo})) / 2 = 122 \text{ Rs}$

Weekly Family income = $240 - 122 = 120 \text{ Rs}$ in general season (not in rainy season at that time they almost stop production)

Income in Peak season

Average sales = $(350 + 400) / 2 = 375 \text{ Rs}$

Average rate of bamboo @35 each = $(140 \text{ Rs}(\text{for 4 Bamboo}) + 175 \text{ Rs}(\text{for 5 Bamboo})) / 2 = 157 \text{ Rs}$

Weekly family income = $375 - 157 = 218 \text{ Rs}$

In rainy season they generally migrate to other lively option like they work on paddy filed as daily wage labor or in contuction of home.

Where wage for male is 30 –35 Rs Woman get 25 Rs per day.

MARKET

In Sonua block artisans sell their product in local market or to intermediaries/Wholeseller who send it to Orrisa, or they themselves sell to wholesaler or retailer of Manoharu, Anantpur, Raurkela Etc. when they made product in good quantity then they go to Orrisa by local train without ticket otherwise they sell it in local market or to intermediaries. Distance of village from local market varies from 1 –15 Km. Intermediaries directly procure product from village. But problem with retailer and intermediaries is rate, they buy product in cheaper than market rate some time just half of market rate. In peak season they get good return, at that time there all product are purchased by consumer directly due to higher demand or if intermediaries purchase it they also give good price but in general season they face problem in direct sell in local market as retailer keep large stock so people prefer buy from these retailer so they are the major competitor of producer.

Every Saturday at 8 pm thousands Pc of product are sent to Orrisa some are by intermediaries some by producer by local train.

Some artisans sell their product to Village of Orrisa, which are adjoining to border from where these are supplied to market. **Retailers of Orrisa also give order to retailers and retailers supply them these product directly.**

Major market for Artisans of sonua block are

- Local village
- Sonua Bazar
- Chakkardharpur
- Manohar pur (Orrisa)
- Anantpur (Orrisa)
- Raurkela (Orrisa)
- Bilaspur

SIZE OF MARKET

Per family per week production = 15 –20 item (According to size)

Productivity * No of Family = Total Production , If all product are consumed then it is the total Market size.

PROBLEMS FACED BY PRODUCERS

Being the marginal producer they face lots of problem. Nothing is easy to them from raw material procurement to product selling. Their production process is so highly unorganised that nothing is fixed or structured neither raw material procurement nor their customer nor marketing channel. They have countless problems.

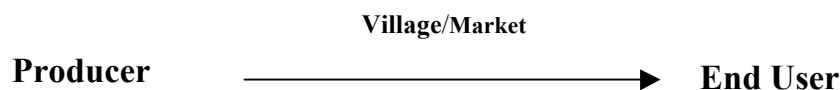
- ⇒ They are landless. They cannot plant bamboo as a result they purchase it from other who has bamboo.
- ⇒ They generally travel highest 30-35 Km either on foot or on bicycle to get bamboo, which takes 1 – 2 days. Due to scarcity of it they charged a handsome amount. High rate of raw material increases production cost. Some time due to unavailability of raw material they stop their work.
- ⇒ They all are so poor that their per day family income varies from 18 -25 Rs per day per family. As a result they always face scarcity of capital. They sell their product in Bazar on a weekly basis and for that money they purchase bamboo as usual and left with 100-125 Rs for week. So they would not be able to get 1-2 pc of bamboo extra even if demand is high more bamboo to increase production. So their income is constant.
- ⇒ They never keep stock of product at festival season due to lack of capital. They work on very small working capital they cannot block in.
- ⇒ They don't have a common place to work their houses are so small to work, so they work in open places where it becomes impossible to work in rainy season and difficult in summer.
- ⇒ Rate is also an issue they don't get rate according to their labour as production cost is high and productivity is low.
- ⇒ Market is unorganised in local bazaar customer is in few number in big market of Orissa they cannot sell their product as local retailer don't let them to sell they purchase their product.
- ⇒ **In Sonua Bazar place is so small that artisans who come don't get place.** And at that situation they left with only one option to sell it to retailer or intermediaries.

So they have lots of problem but the four major problems according to respondents are

- Raw material
- Capital
- Rate
- Market

3.3 MARKETING CHANNELS

Marketing channel is that way or chain through which product reach to End User from producer. In case of bamboo mass use item, product follow different cahnnel according to the market and consumers. These channel are :



This is direct selling channel. Producer produce product, then they two way to sell product, either directly in village or the come to market where they sell to customer. This is most prevalent used by producer and most suitable too as no intermediaries are involved in this channel. All the profit goes to producer.

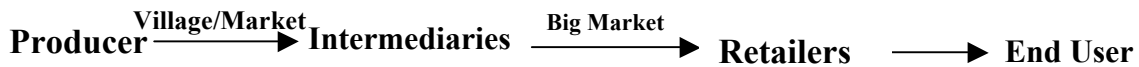
The problem in this channel is limited local consumer. In local market demand varies according to season, so there is no uniformity in demand in local market. In case of volume production they left with unsold item.



Retailer are those market player who purchase bamboo item from small producer keep stock of it then hell sell it to End User in local market itself. **These retailers are the major competitors of producers.** These retailers dominate most of the small and medium size markets like Lohardaga, Jonha, Bundu, Barhi etc. They focus on producer from interior village or producers who came with very small quantity or who don't want to wait for 3-4 hr to sell. They purchase their all product in wholesale. They keep product in big quantity. In general people prefer to purchase form those people who have product in big quantity, as they get options there. So at the end of the day produces left with unsold items and again they sell it to retailer. This create a vicious circle for producer.

Main problem in this system is rate. Retailer just pay 60-65% market rate to producer. As One level intermediary involves in this channel profit is distributed by two people. Retailer get good margin. In medium and big size market these

retailer are so organized that they don't let producer to sell directly. They take the product from producer on their own rate.



In this marketing channel two level of player exists between producers and end users.

In this channel a new player works “intermediary”. Intermediaries are those who collect product from producer either in village or in local market and supply it retailer or wholesaler of big market. And in between them they get margin. These major players make link between producer and market player of big cities.

As producers are marginal so they don't prefer to sell their product in cities. It become so expensive for them as transport cost is high. But in case of intermediaries volume reduced transportation cost.

When they directly collect product from village it become convenient for producer. As it save their marketing time, but real problem in this channel is price they give 50 – 60% of market price in general season. But in peak season producer get better price. In peak season when demand gets higher they give advance to producer, which provide financial support. In this channel margin is divided between intermediaries and retailer. In Ranchi large no of retailer of Upper Bazar directly get product from these retailer. They play in volume, as margin is small for them. Intermediaries are the major player who collect product from surplus like Jonha, Bundu, Chakardharpur, Balumath, Chandawa, Daltangang and supply it to deficit area or major big market like ranchi, Gumla, etc. this channel is also used to supply product to Bihar from Barhi or orrisa from chakardharpur



In this marketing channel intermediaries supply their products to wholesaler and then they supply it to retailers and from there it goes to retailer. Here three level of market players exist between producer to end user. Intermediaries collect the product form producer then they supply it to wholesaler and then wholesaler supply it to retailer. And finally it comes to end-user. Here **Wholesaler** are those player who collect the product from different intermediaries keep stock of it and hen supply it to retailers. They run their business in big market like Tatisilve, Ranchi, Kolkata, Raurkela. In Ranchi Upper bajar which is one of the major market in Jharkhand, there are 10 – 12 wholesaler working there. Get the product from supplier of Jonha, Bundu, Palamu, Jaspur(Chattisgarh) supply it to retailor or of Ranchi, Manndar, Jamsedpur, other deficit areas.

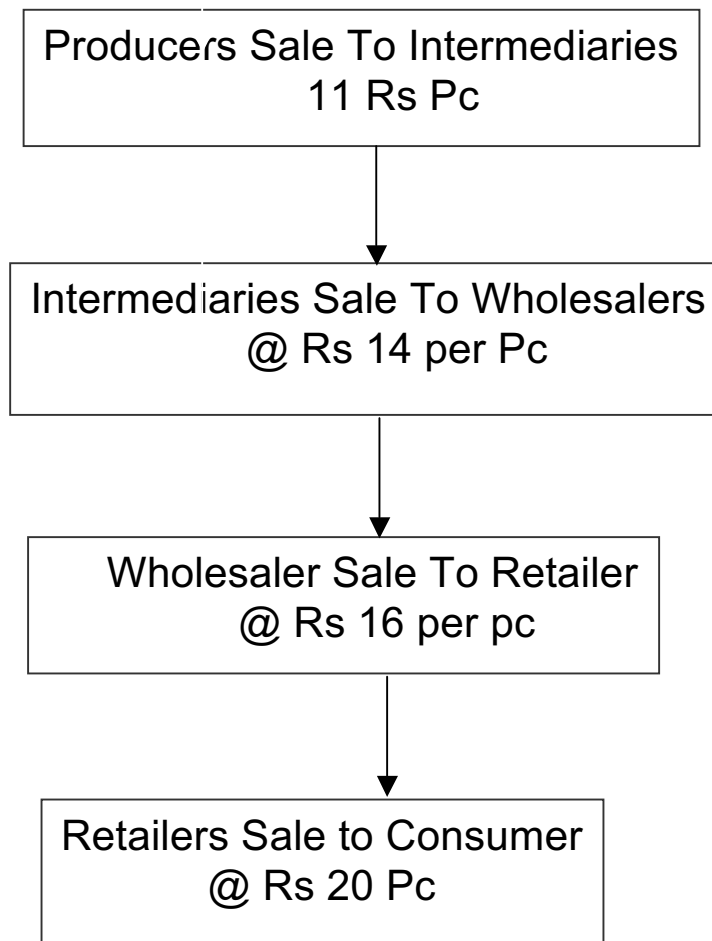


This channel is used when products are sent to other state. In this channel wholesaler procure product from intermediaries and supply it to wholesaler of other market. They play in volume rather than margin. This type of channel is found in inter state transaction product are sent to Kolkata and Bihar in large scale follows this channel. In this channel there are three players work between producer and End User so volume is key element in this channel.

FINDINGS OF DIFFERENT CHANNELS

- In every channel selling price of producer is same either it is taken by Retailer of local market or by intermediaries.
- Rate of end product in every market whatever channel is same.
- If channel is small margin of market player is high if channel is long margin is small they focus on volume.
- As selling price is uniform for producer so whatever channel is used or wherever their product are sent that doesn't matter for producer.
- Local retailer are major competitor of producer as they purchase product from producer and sell them in their local market.
- As market in cities are so organised that product cannot be sold directly, so involvement of intermediaries become necessary, like in Ranchi local wholesaler don't let producer to sell their product directly. They have no option but to sell it to wholesaler or retailer.

COST VARIATION OF SUP AMONG MARKETING CHANNEL



- Whatever channel is used starting and ending price remains same at particular time.
- According to season rate may vary.

3.4 WORKING PATTERN OF ARTISANS

In Jharkhand generally Mahli, Turi, Kalingi, Msnjhi are the traditional worker of bamboo product. They learn this skill from their parents. whole family do production work, but works are divided between male and female members of family. Male member preferably do physical work while female production work.

Working pattern can clearly be divided between them:

Male :

- After marketing the product their weekly work starts.
- There work begins with procurements of raw material which is major work of male member, which take 1-1.5 days.
- After procurement of raw material male member do finishing of bamboo like cutting, polishing it etc.
- Production of items.
- Selling product in the market is done by male member of family. Some time female member along with male member also visit market.

Female:

- Some time female member also collect raw material.
- Processing of bamboo. In some village it is only be done by male while in some both do it.
- **Production of item is the major work of woman. Through out the week all seven days they do it.**
- Some time they also go to market with male member, but not for marketing purpose.

3.5 KOLKATA MARKET

Kolkata is one of the largest market for bamboo mass use item. Here huge number of consumers exists. Here demand for product is different from what is in Ranchi. In Kolkata Mainly two type of consumer purchase these product first are those people who purchase it for commercial purpose like Vegetable Tokri to pack vegetable, Jhuri to carry or to supply different items in market. Second types of customer are those people who purchase these things in festival. But the common characteristic between these customer is they purchase these product to temporary use.

So in Kolkata market, retailers demand medium quality low rate product. There people are not read to pay good price as their motive is temporary use, but there is another small segment of people who purchase product for general use and can pay good price for quality product but their population is small.

In Kolkata most of Bada Bajar, New Market, Natuni Market are the main market for bamboo Handicraft product. But in these Bada Bajar is the biggest market. It the market for wholesalers. There are around 12 –15 big wholesaler operating their business there. Their product comes from Jhumpada, 24 Pargana, Jaibangla Border, 12-7 and village near to kolkata. Apart from it they get product from Jharkhand also. Their main focus is on low cost.

Their demand is specific and for different type product. what we produce in Jharkhand is focused on general purpose use in Jharkhand but there they want those product what is demanded there.

Wholesale get home delivery so all expenses are beard by suppliers. The are ready to buy product from Jharkhand but thy want low cost medium quality product and delivery at their shop.

PRODUCTS THAT ARE DEMANDED

Name of Item	Market Rate (Rs) (Wholesale)	Expected rate by Wholesaler(Rs)
Sup	12	9 - 10
Chikni	3.50	
Jhuri	7– 15 Rs(According to Size)	4 –5 (of Small size)
Daura	30 -35	
Sikar		3.5
Dala	4	2.5
Chota sup	3 – 4	
Dali	3 - 4	
Khomchi	8 – 12 (Accoding to Size)	

SEASONALITY IN DEMAND

Chath and marriage season the peak time for market. During Chath demand of Sup and Daura surge. While at marriage time Jhuri, Dala, Sup, Duara are demanded. Apart from these times when these products are heavily demanded in other time Different products get demand.

Dala and Sikar, Khomchi are ever green product which receives demand through out the year.

SIZE OF THE MARKET

There are around 12 –15 wholesales in BadaBajar Kolkata. All are big size business unit. They deal in wholesale as well as retail.

At the time of chath and marriage there average sale of Sup is around 2000 –2500 per week.

At the same time average sale of Daura 1500-1700 pc. Per week.
 Numbare of Dauri sold is 200 – 250 per week.

People there are ready to buy all items at any quantity what they get, they have only one condition that is price which should be feasible to them as they get cheaper product from local producers. Wholesalers of kolkata don't want high quality product they want medium quality.

MAJOR WHOLESALERS OF BADA BAJAR

New Gupta Box Centre
 342, Ravindra Sarani
 Mob:- 09231692150
 Ph- No : 033-65105734

A. K. gupta
 Gupta Box Center
 342, Ravindar Sarani
 Ph : 033 – 65124275

Mr. P. Manna
 Manna Box Centre
 344, Ravindra Sarani
 Ph : 033 – 25433260

Jai Maa Sarani
 307, Ravindra Sarani
 Bada Bajar, Kolkata

Mr. S. K. Gupta
 Gupta Book Centre
 342, B42 Ravindra Sarani
 Bada Bajar
 Kolkata – 6
 Ph : 033 - 25307004

3.6 PROBLEMS IN BAMBOO HANDICRAFT SECTOR

Bamboo handicraft artisans belong to Schedule cast and Schedule thrive. They all are marginal producer and they are not organised. They produce on individual family basis and market it in the same way. As per data calculated their average production per week per family is just 15-20 item according to size of the product, while their weekly income is just 100-150 Rs. Their productivity level can be understood by this table.

Size of Family 	<5	5-6	6-8	>8
No of Unit Prod week 				
10-15	4			
15-20	8	35		
20-25			7	2
25-30				

Due to small productivity level and low capital they face problem in all stage of value chain starting from procurement of raw material to marketing of product. They don't have land so they are totally depend on this profession. They face huge scarcity of raw material for that they travel long distance, to get it from other they cannot grow bamboo as they are landless. Their land holding pattern can be understood from this table.

Size of land (in acre)	No of respondent
Landless	54
0.1 – 1	2
>1 - <5	0
>5 - <10	0
>10	0

From this table it can be seen that out of 56 respondent surveyed 54 are landless, while two of them who have it, it is less than 1 acre. Being manual worker their productivity is limited, and due to seasonality in demand their profit always fluctuate.

Producers are not commercialise so it is so difficult for any organisation to get their work done by these producers, want to help these artisan in marketing.

So problem in Bamboo value chain can be divided into different sub sections.

3.6.1 PROBLEM & ARTISANS:

As most bamboo artisan in Jharkhand are marginal and landless. They face scarcity of capital, market is not available, they don't have bargaining power. From starting to ending of production process they face problem. Their problem can be classified in different headings: -

• **RAW MATERIAL**

Raw material is the major problem faced by artisan people travels 15-30 km to get raw material. In Jharkhand there is no organised production of bamboo people get it from villages where people have it. The major problems regarding bamboo are –

- Availability
- Rate
- Quality

Availability is the major problem to tackle first. It is the main reason for low productivity. It takes 1-2 days to get 3-4 big size bamboos. They bring it to their home on foot or bicycle. Most of the respondent said that they cannot get it twice a week as it is so hectic and time taking, so they don't try to increase production as they have to use only available bamboo in week. Many times it happens that don't get even a single bamboo and they need to stop their work.

Rate of bamboo is second major problem regarding raw material. Ban bans which is one of the best bamboos used by them costs 35-40 Rs of big size. Bamboo is the only raw material except labour used in bamboo product and it accounts 60-65% of total selling price if they sell it to end user directly otherwise it accounts 80 – 85 % of total selling price. Rate makes its production costlier and difficult for producer to sell it to intermediaries, which are easy source to sell product.

Quality of raw material is also a problem. Quality of product cannot be increased in quality of raw material is low, here size of bamboo is small, it is less flexible, thickness of main part is less, and distance between its joint is frequent then what we get Tripura Assam etc.

• **CAPITAL:**

Capital is the second major problem faced by these producers. They all are marginal producer whose weekly family income is 100-150 per week. That is the reason they cannot increase their production. They sell their product in Bazar and for that money they purchase Bamboo for whole week and with the amount left he spends is week. So they always try to sell whole product either to end-user or to retailer they cannot stock it for next week that reduces their bargaining power.

Again bamboo products are seasonal product in peak season rate and demand both increase. So they can make product in off-season and can keep stock to sell it in peak season, when they get good margin but they don't do it as they work on very small working capital they cannot block their capital.

- **RATE OF THE PRODUCT**

Rate of bamboo product is not according to the time and labour spent by these artisans. Their productivity is low rate is also low that results low income. But there is a cheap substitute available in the market that is plastic. So rate cannot be increased otherwise consumer will shift from bamboo product. Again cheap availability of these products in other state will create problem for artisans of Jharkhand.

- **MARKETING**

Production of bamboo items is not organised. Market is not established so there is no constant demand. Local market has small number of consumers so demand is limited. In medium and big size market retailers are so organised they have captured the market and they keep huge stock so people prefer to buy from retailer. So it is very difficult for small producer to compete with these retailers. Production cost is high so they don't feel comfortable to sell it to intermediaries as they pay 60-65% of market rate. They cannot directly supply it to wholesaler of cities it becomes so expensive for them to come to city with 10-12 items with very small margin. So they face problem in selling product.

- **PROBLEM IN STORAGE**

Storage is also an issue for these artisans. Their houses are small, and made of mud. Generally each family has 5 – 6 members. According to size of these families the size of houses are small, again they need to keep storage of the entire item daily produced as they sell it on weekly basis so they face difficulty in keeping stock.

- **PLACE TO WORK**

In any village there is no common place to work for these artisans. Their house are small and dark so they cannot work there. That force them work in open places, which become very difficult in summer and rainy season.

In rainy season it become such a difficult that people some time stop production due to this reason also.

3.6.2 PROBLEM AND MARKETING

This sector is such an unorganised sector that marketing of thee product by any organisation is very difficult. Intermediaries, retailers, wholesalers and the organisation that directly or indirectly indulge in marketing of these product face number of problem.

- **UNORGANISED PRODUCTION**

In this sector production is highly unorganised. No planned production is made. They continue the production through out the year; weather demand is high or low no stock is kept for peak season. In case of festival or marriage in a single-family, whole village stop production whatever the demand is. They follow no routine for production.

- **SCATTERED VILLAGE:**

In Jharkhand villages are so scattered and located in remote hilly and forest region. Lots of these village are not connect by road so collection of product become difficult and expensive.

- **VOLUME OF PRODUCTION**

As these artisans work manually so productivity is small so at the time of peak season scarcity of product exists. As volume of production is small it is difficult to send items to remote markets or other states as transportation increases. Due to small volume of production, cost is also high for these producers.

- **FLUCTUATION IN DEMAND**

There is so much fluctuation in demand of bamboo products according to season and festival. So no uniform arrangement can be made and marketing cannot be done in constant volume. Lots of capital need to be invested in off season and can be cashed in peak season. As a result equal profitability cannot be provided to artisans all the time.

- **DIVERSIFIED MARKET AND SMALL MARGIN**

Market here is so diversified cities are located far from production areas. Production cost is too high productivity is low marketing channel is so long. Transportation cost from procurement to selling is so high. So margin is very small. So it is very difficult to provide profit to producers.

3.7 SUGGESTIONS

As there are lots of gap in bamboo handicraft value chain. Gap exists in raw material procurement to marketing of product. That is the reason why even if having good market artisans are such a pathetic condition till now. There are lots potential of growth of this sector and it can become of the major micro enterprises in Jharkhand, which can generate good income for thousands of artisans of bamboo.

But for the growth of this sector it is necessary to take necessary step to fill the gap in value chain. To bridge these gaps these are the steps that should be taken in different part of value chain.

• RAW MATERIAL

As cost, availability and quality is major issue with Raw Material so these issues must be tackle. To cope up these problems these steps should be taken.

➤ BAMBOO CLUSTER

To solve the problem of scarcity of raw material bamboo growing clster must be made at the center place of every 3-4 villages or in every 100 120 artisans. Being average weekly consumption 3-4 bamboos per week per family, the demand from these clusters would be 350 – 400 bamboo per week.

As artisans are landless so cluster should be made of those people who have land who have profit motive. A bamboo takes three year to grow so plantation should be made on three different Plot(Land) in consecutive years. So it would be available every year.

Making easy and all year availability of bamboo can increase volume of production, as margin is small in this sector so volume is the key solution for profit.

In case of professional bamboo growing cluster we can ensure whole year uniform availability bamboo.

➤ **GOOD QUALITY BAMBOO**

Quality of bamboo in Jharkhand is not up to the mark. To solve this problem good quality plant can be provided to these bamboo clusters it would be one time effort and out come would be long lasting.

➤ **CHEAP AVAILABILITY**

It is the most important step that should be taken. Rate of bamboo product is no according labor involved. Production cost is too high. Bamboo is the only raw material of these products but its rate makes its production less profitable. Rate cannot be increased because competition from plastic and product of other state. So the only option to generate profit for these artisans and for marketing organization is to reduce cost of production by providing cheap raw material.

● **CAPITAL**

Bamboo artisans belong to marginal producer with daily family income of Rs 15-20. They work with very small working capital. So they have bargaining power production is small. They must be provided loan in low rate of interest.

Loan should be provided the in SHG format. These artisans so poor that sometime they find themselves in trouble to get meal. So they cannot properly utilize big cash. So they should be provided small amount at low rate of interest in SHG format (for peer pressure).

Loan can be provided in the form of equipment, which can be better option. It will increase productivity and problem of misusing money will not be there. But apart from these cash assistance is must for them. As for procuring raw material and for keeping stock of product cash is needed.

Their loan requirement is seasonal, payment is immediate and amount needed is small so loan should be provided according to it.

• PRICE

Price of these products is the most complicated issue to be dealt.

- **Rate of local market and big market are the same**, so it is impossible to increase rate of the product. Again if rate is increased then product from Catisgarh and Koklata will start coming. Again plastic is available as cheap alternative.
- Decreasing the cost is the key solution to survive without increasing rate. Ensuring cheap raw material can do this.
- Playing in volume instead of margin is another solution of low rate.
- Reducing artisan's time in raw material procurement and marketing can increase productivity. Time can be reduced by establishing bamboo growing cluster and door to door collection of product.
- Elimination of intermediaries and direct selling in market or to wholesaler will also solve problem of low price. By eliminating intermediaries between producer and retailer in medium market like Ranchi we can get the profit of two level of intermediaries.

While in the case of inter state transaction like
Kolkata

Product can directly be sold to wholesaler of big market and margin of two level of market player that are intermediary, wholesaler of local market like Ranchi can be provided to producer.

• PRODUCTION

Production is highly unorganised in this sector. There is commercial attitude among producers. They work when they want and stop when they fee is sufficient. No schedule is followed feeling of responsibility is absent among them even if they get order they never try to fulfil it if the get more then their expectation the stop work, when festival of marriage ceremony take place in their case whole village stops production whether demand is high or low.

So to work with these people first thing that is needed is to organize their production. Production can be organized through job type modal. Common place should be constructed where they can work. Timing for work should be fixed when they would come and start work. As it is the only livelihood activity for artisans, so they can devote 5 – 6 hr every day as a full timework. Group should be form of those people who are ready to work in this modal and loan should be provided to these people.

Marketing organisation should monitor work. Target should be fixed on two levels that are on Single family of a group and group as a whole and some reward should be there on achievement of target. Product should be procured of daily or week basis and payment should be made of immediate basis. Procurement can be made either on door-to-door basis or collection centre can be established. By door-to-door procurement artisan's productive time can be saved, but it would increase transportation cost of organisation.

At the starting phase it would be difficult to change people, so some tough step should be taken like all type of support and help should be provided to those people who are ready to work in this modal. Once the people become habituated and start getting money it will encourage other people to join this modal.

• MARKETING

Mass use item has good market Jharkhand as well as neighbour state. People purchase it for personal use in day to day activity apart from that we have lots of festival and ceremony where some bamboo product as necessary like in Chath and Marriage.

So product can be classified according to its uses:

- **Household used durable product.**
- **Festive products, which are used in festival period only.**
- **Commercial purpose product like vegetable Tokri**

Household product should be long lasting. And should be made of good quality bamboo and margin should be less while festive product should be temporary and made of cheaper bamboo and should be of high margin. These product should use as cash product. In Kolkata people demand low rate medium quality product as they purchase it for temporary use.

While in local market people demand good quality product as they purchase it for general purpose use. So to market the product production should be done according to rate and demand.

Product can be sold either in local market or in cities. In local market users are limited while in cities consumer group is large. To sell the product is not an issue the main issue is rate and to choose cost effective channel.

Market of these products can be divided into two parts and approach of marketing should be according to that market.

● **LOCAL MARKET**

Local medium size markets like Lohardaga, Kudu Jonha are Retailer dominate. They purchase product from small retailer and sell them in the same market. They are the real competitors of producer. They keep stock of product, and people prefer to buy from them as they get choice there some market are captured by them (retailer) they never let small producer to sell in market.

So to cope up with such retailer, **Group selling** should be done. Marketing group of **One or Two Producer** should be made in each village by **marketing organisation**. They will work on

commission basis and that marketing group will sell collective product of particular Village. Product will be in good quantity, as product of entire village collected by marketing organisation will be marketed in single shop. By this way retailer dominance from market can be reduce and direct selling can be encouraged.

• CITY MARKET

Cities are the major consumer of festive item. Here consumer are large in number and have good pocket for product used in festival. To sell product in these market new market channel is needed.

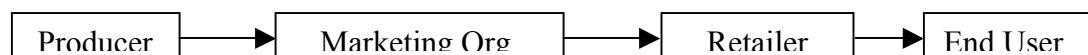
LINKAGE OF SURPLUS AREA TO DEFICIT AREA

First step should be taken to link deficit area to surplus area. There are lots of region where the population of Turi and Mahli is large. And they are indulge in bamboo item production. So production in these regions is large like Angada, Bundu, Balumath, Daltangag, Lohardaga, Chakardharpur etc. while there are lots of areas where production is not sufficient and cities where consumers are dependent of production of village. **We can join these surplus areas to deficit areas.**

ADAPTATION OF COST EFFECTIVE MARKETING CHANNEL

As it would be expensive for marketing organisation to open product outlet or start direct selling unit in each and ever city market or market of other state like Kolkata, Raurkela, and markets of Bihar. So marketing organisation need to work as a supplier (Intermediaries + Wholesaler) and can eliminate two level of player.

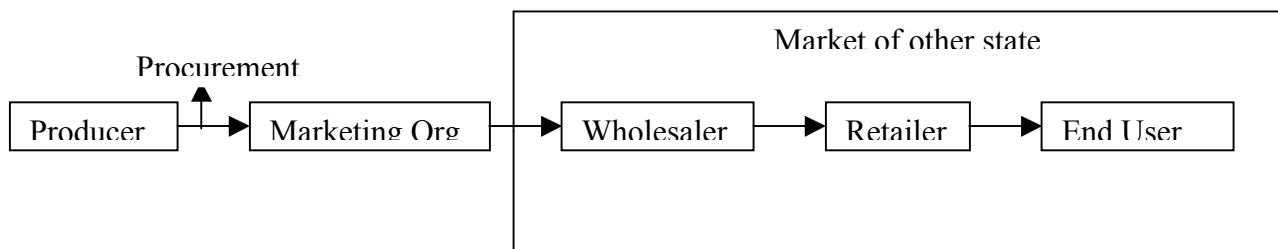
So proposed channel to sell product in different should be



In this marketing channel marketing organisation collect product from producer and then supply these product to retailer of medium and big size market directly. So profit of two levels of market players can be divided between producer and marketing organisation. In this channel marketing organisation can get feedback and market trend very easily and frequently so the can update production very frequently.

In case of interstate supply of product like to sell product in Kolkata. Orria, Bihar different marketing channel is needed. In these big markets wholesalers are organised so it is very difficult to sell it directly and again it becomes so expensive to supply product in interior areas of other state. So in case of interstate supply of product it should be sold to wholesaler.

Marketing channel in inter state transaction should be



3.8 COST BENEFIT ANALYSIS OF SUGGESTIONS

Rate of bamboo = 40 rs

Time in raw material procurement = 1 day

Time taken in marketing = 1 day (in case of one market)
From one Bamboo no. of sup produced = 4 sup (medium size) Minimum

production per day = 3-4 sup (per family) of Rs 15-16 in wholesale.

According to them they can produce 5-6 sup a day. In case of easy availability of bamboo and serious work.

Now by establishing bamboo cluster :-

Rate of bamboo = 20 Rs per Pc

In case bamboo cluster people would get it near by to their village so it will take just few Hour so.

Productive day increased by = 1

By establishing procurement centre or by door to door basis we can save their productive by day = 1

Now they have seven days to work.

Procurement and finishing of bamboo = 1 Days

No. of days for production = 6

Average production of sup per day = 6 Pc

Total production = $6 * 6 = 36$ / 34pc Per week

Now marketing organization procure product directly and supply it directly to wholesaler (Which is least profitable and it was suggested in case of Jharkhand to sell to retailer directly)

Wholesale rate of purchasing by wholesaler for Sup in general season
= 15 Rs
(Ranchi Upper Bajar)

Product procured @ 13 Rs per pc by marketing organization from producer (intermediaries give 10 – 11 Rs Per Pc)

Net Margin for Marketing Org. = 2 Pc(all cost included) In case of product sold to wholesaler not retailer.

Income of producer:

No of bamboo used = $(36/4)+(36/3)=10$ pc per week

Cost of raw material = $10 * 20 \text{ Rs} = 200 \text{ Rs per week}$

Sales Price = $36 * 13 = 468$ Rs per week/family

Net Income = 468 – 200= 268 Rs Per week/ Family which is more than double of their current income.

CHAPTER – 4

PRODUCTION AND MARKETING OF DECORATIVE ITEM IN JHARKHAND

4.1 INTORDUCTION

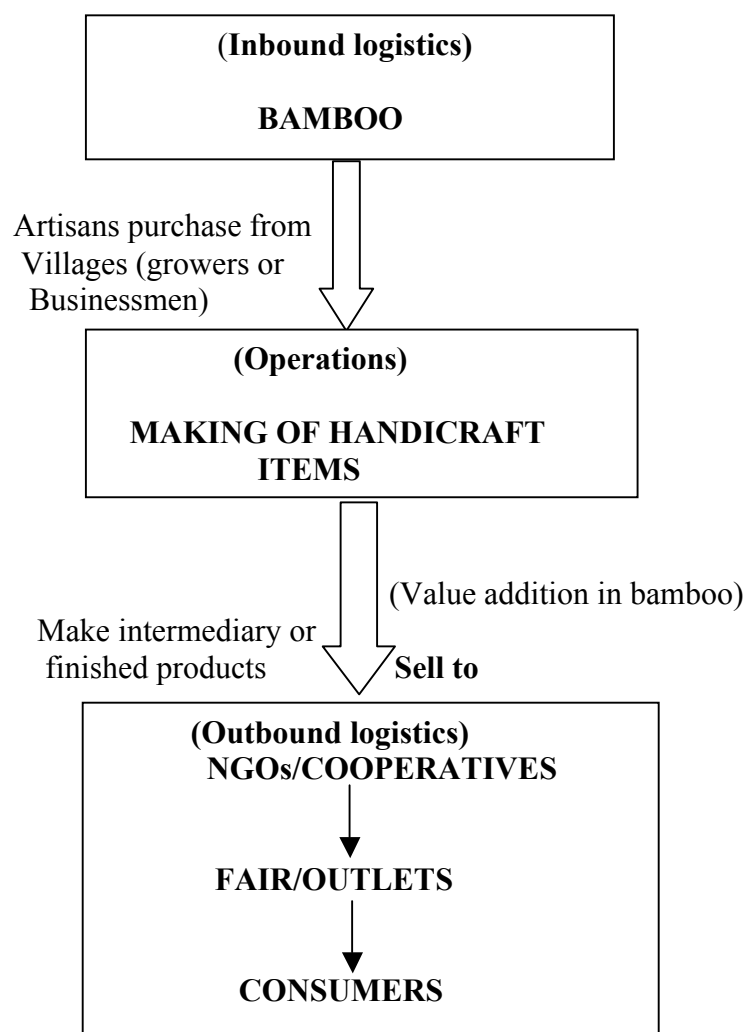
4.1.1 DECORATIVE ITEMS (B H)

When it is a gift for a loved one, handicraft gifts seem to be a creative option. It is so because a lot of effort and hard work goes into creating fine pieces of art.

Handicrafts reflect the cultural heritage, customs and traditions of the state and it becomes more special for Jharkhand where seventeen crafts are practiced including bamboo handicraft.

The state is not only supported by talented manpower but also local availability of raw material needed for crafts.

4.1.2 VALUE CHAIN



4.1.3 THE KEY PLAYERS IN THE VALUE CHAIN ARE:

- Producers
- Marketing intermediaries (NGOs or cooperatives)
- Market (Fairs or outlets and consumers)

The analysis of total value chain will be done step by step by analysing the role of every player in the value chain and finding out pros and cons related to them. On the basis of analysis, interpretations are made which help in finding out the problems and possible suggestions are given to develop a feasible model for production and marketing of the decorative items.

4.2 GOVT. POLICIES

The policies of the govt. for the state and office of the Development Commissioner(Handicrafts) are focused to preserve, protect and promote the languishing craft of the state. For the same purpose financial aid is extended to NGOs/Cooperatives from the state govt. and office of DC(H) to provide training to the artisans and link them to the market with an aim to:

- Promote sale of handicraft items.
- Exposure of craft persons to the market.
- Launch of innovative products to test market potentiality.

TRAINING PROGRAMS ARE AIMED TO:

- Augment the production base of crafts having high market demand.
- Improve skill of the existing craft person.
- Transfer the skill of the master craft person to new generation.
- Revive rare and dying craft.
- To produce export oriented crafts.

(An initiative of DC (H) through its Marketing and Service Extension Center)

➤ **MARKET LINKAGE:**

Marketing channel is provided to the artisans through National Handicraft Expos, National State level Fairs, festivals/melas and urban haats. Financial aid is provided to NGOs also to organize exhibition in a ratio of 75:25, in which 25 % is beared by the NGO.

➤ **FINANCIAL AID TO THE ARTISANS**

support is provided to the artisans by issuing them Artisans Credit Card. Under this scheme a maximum credit limit of Rs2 lakhs can be sanctioned, which is based on assessment of working capital requirements.

➤ **PROMOTION**

For the purpose of promotion a handicraft week is celebrated from 8-15 Dec every year. Advertisements are given in newspapers also. Exhibition of handicraft items is organized overseas also. In 97-98 in a exhibition held in Washington DC items worth 7.5 lakhs were sold.

Contribution of NABARD in the handicrafts sector

NABARD also extends financial support to NGOs/Cooperatives under its Rural Development Entrepreneurship Program after appraisal of project proposal to provide training to the artisans and provide them market linkage.

MARKETING SUPPORT:

NABARD provides free stalls to artisans (2 artisan per NGO can participate) in the fairs and pays them travelling and daily allowances.

- Officials of DC (H) Ranchi have imported samples of Bamboo handicraft items from Philippines and Singapore to compare the local products. The quality of items made in Jharkhand is far below the standard of export items.

4.3 DISTRICT WISE REPORT FOR DECORATIVE ITEMS

DISTRICT: **Ranchi**

In Ranchi district all the four villages that were visited in Angada Block were given training for decorative items. SHGs have been formed in the villages and at least one member from each SHG has been given training.

Trainer NGO: SRI

Number of people trained: 60

Villages covered : 6

Type of training: Design Development

Duration: 15 days

THE ITEMS FOR WHICH TRAINING HAS BEEN GIVEN ARE:

1. Table lamp (4-5 models)
2. Hairclip
3. Phooldalia
4. Waste basket
5. Water container

_# The training was given in 2 phases each of 15 days for design development and people involved were those who are already engaged in the bamboo handicraft sector for mass use items.

The people who were trained are making decorative items but not on a regular basis.

There is a sense of insecurity and lack of proper and regular marketing channel due to which there is irregularity in production.

The families engaged in production belong to marginal section; they want a regular source of income. They also have a constraint of capital due to which they can't keep the stock or sell their items on credit.

Generally artisans provide intermediary products to NGO which are further assembled or decorated or more features are added to them at their specialized center. For e.g.

1. Lampshade for which parts are made by artisans is assembled at NGO center.
2. In decorative Sups all decoration is done at the center.

The artisans have started making these items but they have not taken it as a means of livelihood. They are still getting their monthly income by selling the traditional produce Sup, Daura, Tokri etc.

AVERAGE MONTHLY INCOME OF ARTISANS:

Off Season- Rs400-600
Peak Season- Rs800-1000

AVERAGE DAILY INCOME:

Rs14.27-18.57

INPUT OUTPUT RATIO:

Investment (RS)	Income (RS)	Labor Days
50-70	150-200	7

DISTRICT: Lohardaga

In Lohardaga district , 5 villages have been provided training in which 40 people from each village were included. The 5 villages belong to 5 different blocks.

Trainer NGO: Chotanagpur Craft Development Society

Number of people trained: 200

Villages covered : 5

Type of training: Integrated Development Programme

Duration: 6 months

THE ITEMS FOR WHICH TRAINING HAS BEEN GIVEN ARE:

1. Table lamp
2. Tea tray
3. Flower pot
4. Pen stand
5. Cassette stand
6. Magazine holder
7. Fruit basket

After training people have made certain items, they know that making these items is more profitable as they get good margin. They also know that marketing of these items is also possible as govt. organizes a lot of fairs for the same from time to time.

People got orders for packaging boxes and Tokri (For keeping chickens) in a large volume from NGO but they did not make it as the payments for the items earlier supplied were not made. NGO had taken earlier items on the promise of making payment after the sales of those items.

IN THIS DISTRICT PEOPLE ARE READY TO MAKE THE DECORATIVE PIECES BUT SINCE THEY DON'T

have capital to invest. They want hand-to-hand payment. They want an intermediate marketing agency.

SOURCE OF MONTHLY INCOME FOR THE ARTISANS IS THE TRADITIONAL PRODUCE OF MASS USE ITEMS.

AVERAGE MONTHLY INCOME OF ARTISANS:

Off Season- Rs800-1000
Peak Season- Rs1200-1400

AVERAGE DAILY INCOME:

Rs20-30

INPUT OUTPUT RATIO:

Investment(RS)	Income (RS)	Labor Days
60-90	200-300	7

District: **Hazaribag**

No training has been provided by any agency and no person is engaged in making decorative items.

DISTRICT: West Singhbhum

THE ITEMS FOR WHICH TRAINING HAS BEEN GIVEN ARE:

1. Letter holder
2. Tray
3. Phooldalia/ dalia with designed corners
4. Pen stand

Among the four villages that were surveyed only people of 1 village were trained. After training they received an order to make pen stand from the training agency but till date the order is not complete.

There is lack of entrepreneurial attitude among people. They don't want to devote extra time for their work. They are already engaged in making items of mass use, which is the only source of income for them. They did not find the margin with pen stand so attractive to complete the order.

Lack of capital and insecurity regarding the marketing acts as a discouraging factor in the production of decorative items.

Source of monthly income for the artisans is the traditional produce of mass use items.

AVERAGE MONTHLY INCOME OF ARTISANS:

Rs800-1000

AVERAGE DAILY INCOME:

Rs20-30

INPUT OUTPUT RATIO:

Investment(RS)	Income (RS)	Labor Days
50	100-150	7

4.4 PROCUREMENT OF RAW MATERIAL

- The process of procurement of bamboo is similar to as that discussed in utility items section and the problems faced are also the same as no different pattern for the production of decorative items was observed.
- The usage of bamboo is discussed below:

Type of bamboo used	Price Range(RS)	Availability
Ropa Bans	20-40 per bamboo	Whole year except rainy season
Bandhni Bans	20-25 per bamboo	Sep-Oct

DETAILS FOR THE PROCUREMENT ARE

Distance traveled	Time taken	Mode of transport
6 -30 Kms	1-2 days	On foot/ bicycle

4.5 DATA ANALYSIS FOR DECORATIVE ITEMS **(PRODUCERS)**

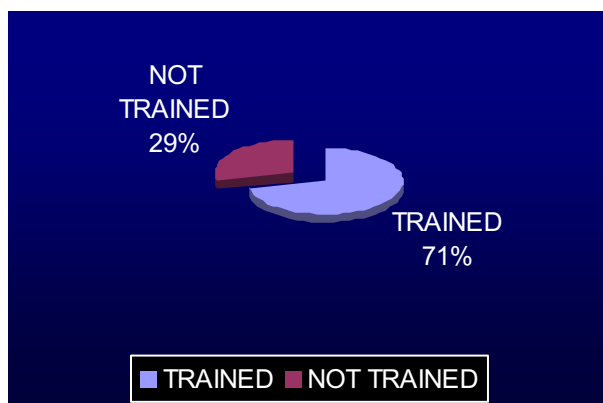
- The training has been given to those people only who are traditionally engaged in bamboo handicrafts for making utility items with a few exceptions. The beneficiaries were Mahalis, Turis, Kalindis etc.
- In Lohardaga training has been provided to other caste people also who were traditionally not engaged in this business.

Details of the items for which training has been given/ is being produced:

ITEMS	Price Range(RS) (For producers)	No. of items per bamboo	Productivity per day
Lamp shade (model 1)	225	1	1/2 pc
Lamp shade (model 2)	70	1	1 pc
Lamp shade (model 3)	30-35	3-4	2-3 pc
Lamp shade (model 4)	30-35	3-4	2-3 pc
Phool dalia	25	5	2-3 pc
Hairclip	10-12	25	10 pc
Pen stand	25	10	4 pc
Waste basket	55	1	1pc
Tray	100	3-4	1-2 pc

- For the above rates, Productivity per day is an estimated quantity for a skilled artisan. It may vary according to the skill of an artisan.
- price of bamboo is expected to be RS20-25.

DISTRIBUTION OF TRAINED VILLAGES IN THE SAMPLE:



- Shortage of raw material is being faced in rainy season due to upcoming of new bamboo plants called Karil.

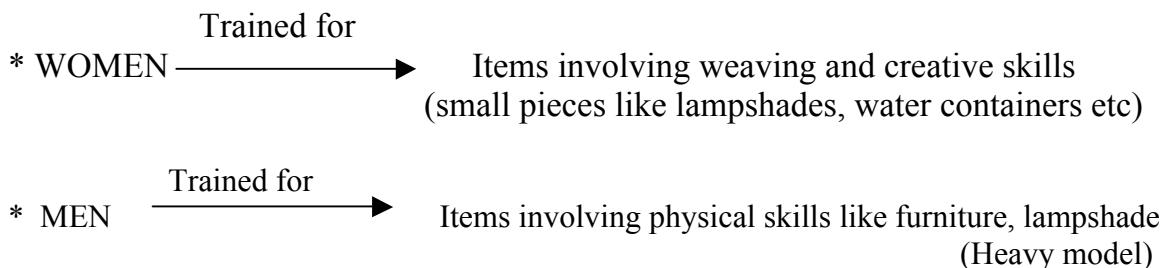
Peak season of selling: Not any specific season.

- In Jharkhand the items made by the artisans are purchased by NGOs only, or they are sent with their items in Melas/ Expos through the support of NGOs which are organized through out the year.
- There are no fluctuations in the price of these items according to season.

The above data is for Ranchi District where production has just started and is not regular.

**** Traditionally, women do the weaving and men of the family handle procurement of raw material, cutting and smoothing of slits and selling of items.**

**** During the training the focus is to develop the existing skills and to develop specialty for certain items, for e.g.**



MAJOR PROBLEMS IDENTIFIED BY THE RESPONDENTS

Ranking	Problems	Percentage of respondents
1	Market/ selling	88.9
2	Raw material	55.5
3	Others	44.6

- Other problems include their unwillingness to devote time from their traditional business and unsure ness about the profits generated by these items.

SELLING PATTERN:

Sell to NGOs either on completion of order or when 4-5 items are made.

- **Other problems include their unwillingness to devote time from their traditional business and unsure ness about the profits generated by the selling of these items.**

4.6 ANALYSIS OF MARKET (RETAIL OUTLETS)

DETAILS OF ITEMS AVAILABLE IN OUTLETS

Name of the item	Price Range (Rs)	Place
Fruit basket	30-35	Jharkhand / Assam
Magazine holder	35-60	Jharkhand / Assam
Pen Stand	20-35	Jharkhand
Table lamp	150-275	Jharkhand
Flower vase	25-90	Assam
Ship	65-480	Jharkhand
Tray	30-90	Assam
Wall hanging	25	Assam
Bird	425	Jharkhand
Wall clock	238	Gujarat
Sofa set	12000	Jharkhand

TYPE OF HANDICRAFT OUTLETS IN RANCHI:

The outlets are heterogeneous. There is not any specialty outlet, i.e. no specific outlet for any item.

- State owned emporiums (Jharkhand Adivasi Vikas Kendra's TRICO in Sainik Market)
- NGO owned outlet (Chotanagpur Craft Development Society's **Craft Creation** in Sainik Market)
- Outlet owned by Cooperative society established by Ministry of Tribal Affairs (GoI)- **Tribes India** at Hari Om Tower

TYPE OF ORDER/TREND OF ORDER:

- Purchased whenever SHG members make and deposit- NGO
- Whenever new items come into notice or when there is shortfall of certain items, purchase made by Regional Offices through NGOs-National Cooperative Society
- Whenever Different items are brought by dealers-TRICO

SUPPLIERS:

- SHGs trained by NGOs
- Dealers
- Regional Offices of Cooperative society who procure from different NGOs

Type of order and mode of purchase vary from one owner entity to another but there is

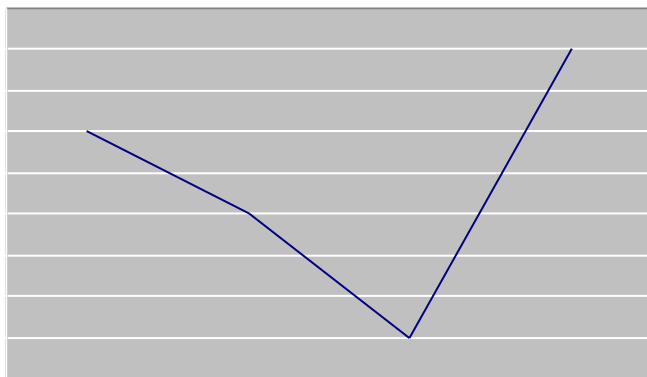
no specific trend for any, whether in terms of period or size.

PROFIT MARGIN:

Profit margin vary from 5% to 20% depending on the items and policy of the organization.

PEAK SEASON OF SELLING:

From October-April



- Category axis, i.e. Y-Axis shows months.
- Value axis, i.e. X-Axis shows sales.

During festive season people purchase decorative items for their houses and for gift purpose.

TYPE OF CUSTOMERS FOR DECORATIVE ITEMS:

- Individual buyers
- Institutional buyers (Govt. offices and Private offices)

OBJECTIVE OF PURCHASE:

1. Decoration and gifts (Individual buyers)
2. To present as momentous and gifts (Offices)

In case of institutional buyers purchase is made in bulk. Tourists also sometimes purchase 8-10 items to take to their home places.

Average footfalls per week: 60-70

Average number of purchases per week: 15-20

DEMAND FACTOR:

Customers demand new and modified products. Traditional items have sales but new designs are preferred. Middle class customers prefer decorative cum utility items while high-class customers purchase purely decorative items. Attractiveness of an item is a single factor for its sales. Consumers demand various features that could be added to certain items, for e.g. to add mobile stand in a pen stand. For the category of furniture customers want a set of choices and modification in design according to trend.

MARKET TREND:

- **Price-** There has been marginal change in price during past few years. Response%: 2/3
- **Quantity-** Number of items in outlets has increased. Response %: 2/3
- **Variety-** There has not been much change in variety or design while customers have become more look or design conscious. Response %: 3/3

- **Govt. policies:** Govt. has created a lot of conducive opportunities for the marketing of these products through National Handicraft Expos, state level festivals/melas, opening outlets, urban haats etc, details of which are discussed in govt. policies for production and marketing.

SHORTAGE OF ITEMS:

- Lamp shade
- Furniture

Whenever a category of item is out of stock, its supply takes a gap of 2-3 months.

MODE OF ADVERTISEMENT:

Few outlets advertise by:

- Participating in fairs
- Giving advertisement in newspapers.

- **Approximated annual turnover of an outlet:** Rs 100000-120000.

A sofa set placed at Craft Creation (Sainik market), which was made during training, was sold in Rs12000. After that demand for sofa sets came from the parts of customers but supply was not there.

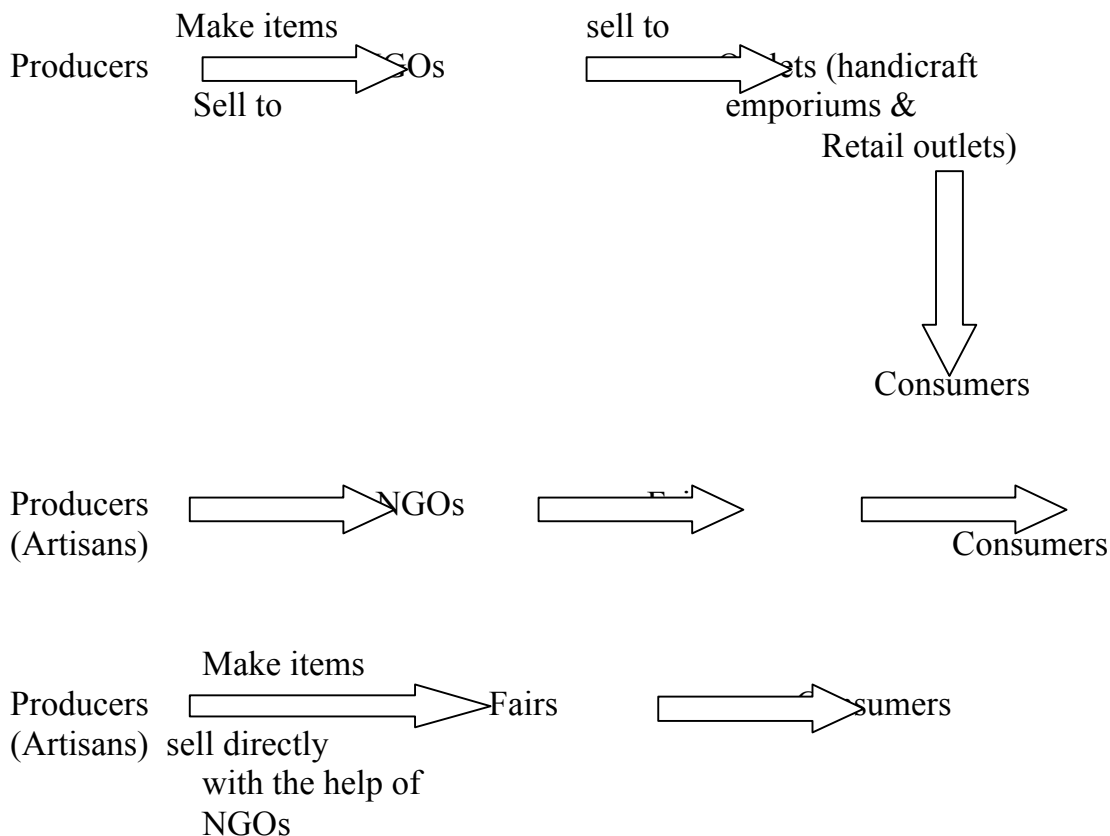
For decorative items purchase depend on customer's budget but still unique items are preferred. Preference is also based on the looks of the item. People generally prefer stores, which have a large variety of items.

Outlets generally don't contain many varieties of bamboo items. Those outlets, which have more variety, procure items from other states.

Customers generally prefer decorative cum utility items like pen stand, magazine holder etc.

4.7 MARKETING CHANNELS

In Jharkhand training has been provided in few districts through NGOs but production has not started in any of the districts on a regular basis even it is better to say that is almost nil. The items that are being marketed by few NGOs are mostly made during the training period. After training only a few items are being made by the villagers and that production is also highly uncertain. Till now two marketing chains has been used which are as follows:



- In the 1st channel, NGOs purchase the items by the artisans and sell to the outlets (handicraft emporiums/retail outlets), which is further sold at 5-20% margin.
- In the 2nd channel, the artisans sell the items to NGOs which are further sold by the NGOs in fairs/ exhibitions organised by the govt. at 5-10% margin.

- The 3rd channel is a proposed channel by the govt. in which the trained artisans are linked directly to the market through fairs/melas with the help of NGOs. In this channel NGOs just provide the supportive roles, artisans themselves go and sell in the fair. This channel has not been so popular in Jharkhand for the bamboo craft.

4.8 DISTRIBUTION

- There doesn't exist any specific channel for distribution of these items in Jharkhand.
- Only one NGO (CCDS) is supplying few bamboo items to some outlets in Ranchi besides its own outlet and that is also not regular but occasional.
- Some dealers are supplying items (bamboo handicraft) in a few outlets of Ranchi but they are bringing those items from other N-E states like Manipur, Assam etc. The supply is not on regular basis.

4.9 PROBLEMS FOR DECORATIVE ITEMS

4.9.1 AT THE PRODUCERS END

1) RAW MATERIAL:

- The bamboo available in Jharkhand is not of very good quality. It lacks flexibility and resistance.
- The problem of availability of raw material is common for total bamboo handicraft sector. People have to travel long distances to bring bamboo, which ranges from 4-5 kms to 40-50 kms and since they belong to marginal section, they can't avail the transportation facility. They have to travel either on foot or bicycle.
- The rate of bamboo also varies from Rs10-15 to Rs40-50 depending on the region.
- The shortage of raw material in rainy season puts a hurdle in production.

2) LACK OF CAPITAL:

- All the people engaged in the production of bamboo handicraft belong to marginal families. They can't handle the risk factor involved in the production. They depend on daily or weekly income for leading their lives thus they can't stock items or keep inventory, as it will block the capital.
- Some of the NGOs engaged in marketing of such items offer payment after the sales of the items, which discourage them for producing decorative items.

3) LACK OF ADEQUATE MARKETING CHANNEL:

- The producers are not properly linked to the marketing of these items. Since they are new in this field, they want a secure income. A lot of marketing opportunities are provided by the GOI through melas, urban haats etc **but they need to be properly linked up for bamboo handicrafts.**

4) LACK OF MODERN TOOLKITS

4.9.2 AT THE MARKET END

1) IRREGULAR PRODUCTION:

- Lack of capital, insecurity regarding income leads to retaliation in producers for the production of decorative items. People are engaged in making the items of mass use as the income generated from it is the only means of livelihood for them and it is difficult to expect a regular production of these items in addition to their traditional business and during festive occasions.

TECHNOLOGY AND VALUE ADDITION:

- **Since the production is not commercialized and structured and people in villages lack technology, they are unaware of and not in practice of using treatments for bamboo before making the items which is essential to ensure durability.**
- **The colors and polishing of local products do not meet the international standards.**

Demand and supply gap

- Production is not as per market demand. The production is not for significant varieties.
- Products produced at local level do not meet international standards.

Problems at the intermediary level

- The intermediaries fail to provide regular payment to the artisans, which are resulting in avoiding the production on the parts of artisans.
- During the time of training the failure on the part of NGOs for certain commitments creates a feeling of non-trust among villagers, which acts as a demotivating factor in completing the orders.

THE GENERAL PROBLEMS INCLUDE:

- Non-availability of proper space for making items.
- Lack of entrepreneurial attitude among villagers
- Prevalent alcoholism among artisans (both men and women), which results in slashing of savings and irregularity in work.

INTERPRETATIONS

- The focus on developing the bamboo handicrafts in Jharkhand is in its initial stage. The development agencies and the govt.'s initiatives are in budding phase and the focus is not only to develop it as means of livelihood while the aim is to save the craft and artisans and improve their living standards. Thus the training was focused on Mahalis, Turis and Kalindis who are traditionally practicing this craft for making mass use items and the motive is to divert them towards decorative items.
- The raw material i.e. bamboo has become scarce in this region. People have to travel long distances to procure bamboo, sometimes even ranging to 15 kms. After traveling that distance they have to even wander from one village to another to convince bamboo growers to sell to them. This process sets up wastage of 1-2 man-days.
- The procurement of raw material, production and selling of utility items is weekly while regarding production and selling of decorative items there is no specific trend as the production is almost negligible at the present stage and there has not been any specific designed strategy for marketing.
- The profit margin for these items is higher than utility items and people who have been trained are aware of this fact.
- People engaged in this profession or the people who have been trained belong to the marginal section. They can't invest in decorative items with a view to reap profits in future. They need a supportive marketing channel.
- A number of conducive Govt. policies are available not only for training of artisans but also to promote the marketing of handicraft items.
- There is lack of Jharkhand's identity in bamboo handicrafts sector, which acts as a hurdle in catering to the tourism sector. While other N-E states have created their specific position in this sector.
- Alcoholism has prevailed a lot in the castes practicing the bamboo handicrafts. They are on a condition of hand to mouth consumption but still

- they don't have an attitude to develop. Whenever a sufficient amount of money comes to them, they spend on alcohol and try to escape from the work. Not only men, women are also habituated of alcohol.
- The literacy rate of these people is also very low. None of people surveyed were educated above 10th, and condition is even worse for women.
 - In the utility items the major problem is of raw material but for these items marketing becomes the major issue while the problem of availability of bamboo becomes secondary.
 - The bamboo in Jharkhand is not of that quality suitable for making all kind of decorative items. Only some specific items can be made.
 - Bamboo items need treatment to ensure durability and coloring pattern according to the demand of the market.
 - The connectivity of rural roads is very bad in villages like Kutchu, Navagarh (Ranchi) and in some villages of Lohardaga district as any mode of transportation is hardly available.
 - The credit facilities are not properly utilized.
 - There has not been much change in variety of items while market demand has changed a lot.

** Few of the findings are based on interviews of NGOs working in the field of marketing of these items and observation during study.

4.10 SUGGESTIONS

We need to modify total value chain as concentrating on marketing alone we can't ensure profitability. Without making the production regular and as per demand the marketing can't be successful. The cases have come into picture when NGOs engaged in marketing were having the order but could not meet due to improper production and meeting failure in motivating people.

RAW MATERIAL

- At the first step we need to ensure availability of bamboo as well as its quality.
- Chemical treatment of bamboo should be introduced to ensure durability.

PRODUCTION

- The next problematic area to be identified and removed is that of irregular production. For this a commercial and structured production pattern should be looked for.
- The production process should be kept under regular monitoring to avoid loopholes in production. Machines and toolkits should be provided to the artisans to increase the productivity.
- The production should be according to the market demand and there should be regular design development programs to cater the need of the market.

CAPITAL

In order to solve the problem of capital either of the following ways can be opted for:

- Artisans should be brought under a commercialized production structure in which they are provided all the facilities.
- The credit facilities available to the artisans should be channelised in a proper manner to ensure its proper utilization and increase in productivity and there should be a regular monitoring of it. Since the producers belong to marginal section, group credit by forming a SHG would be a better option than availing individual credit through artisan's credit cards.

INTERMEDIARIES

ONE INTERMEDIARY IS ESSENTIAL PRODUCER AND RETAILER END, AS THE ARTISANS ARE MARGINAL AND THEY NEED SOME AGENCY TO MARKET THEIR PRODUCTS AS THE MARKET IS QUITE VAST AND DIVERSE.

MARKETING

The marketing activities need to be planned step by step, which can be divided in four phases.

1st phase: The target of marketing in the first phase should be the fair organized by the Govt., by involving the artisans as it doesn't involve any promotional activity separately.

2nd phase: The next target should be supplying to the retail outlets in Ranchi.

3rd phase: The marketing agency can contact the outlets offering interior decoration and handicraft emporiums in major cities of India.

4th phase: In the fourth phase planning can be made for the export of these items.

PROMOTION

Other N-E states like Assam, Tripura have developed their specialty in bamboo handicraft. They are supported by the quality of bamboo grown in their region. Few items like ashtray, fruit baskets (special models) are made there only. Such kind of items are not made in **Jharkhand**. The bamboo available in Jharkhand is also not suitable for such designs.

But there are certain designs, which are specialization of Jharkhand's culture like Tokris. Designs should be developed in two patterns:

1. According to market demand
2. Designs involving traditional look.

The first category of items can be promoted in local markets (for Indian customers) while 2nd category of items has high demand and good market at tourist places and for exports.

For 1st category —————> Promotion should be done through newspapers and air channels.

For 2nd category —————> Specific promotional activities should be carried to promote certain items as brand items for Jharkhand as the specialty items of a region are put high on sale as handmade silver and gold jewellery of Rajas than.

4.11 ACTION MODEL FOR VIKASH BAZAR.NET

THIS IS AN INITIAL WORKING MODEL FOR VIKAS BAZAR.NET OR ANY AGENCY WORKING IN MARKETING OF THESE ITEMS. THE SUGGESTIONS HAVE BEEN MADE FOR EVERY STEP IN THE VALUE CHAIN. AT THE INITIAL STAGE WORKING SHOULD BE STARTED IN 2 OR 3 DISTRICTS WHERE TRAINING HAS BEEN GIVEN.

RAW MATERIAL:

SHORT TERM:

Bamboo should be provided (sold) to the artisans at a common place. The agency should only purchase the bamboo and sell it to the artisans.

LONG TERM:

A production cluster in each district should be established to ensure the availability of bamboo. In these clusters bamboo which is suitable for handicrafts should be grown commercially and made available to the artisans at feasible costs. This step would be feasible as govt. is supporting the cultivation of bamboo through National Bamboo Mission. It would take 2-3 years to prepare such production cluster. **These steps would help in controlling the price and quality of the bamboo**

PRODUCTION:

SHORT TERM:

Artisans should be given orders on daily or weekly basis and the mode of payment and collection should also be on the same pattern.

LONG TERM:

The artisans should be provided space to work. Regular monitoring should be done. Targets should be fixed daily or weekly. Credit facilities available to the artisans can be channelised to help them to purchase machines and modern toolkits or should be provided to them.

- Focus should be on diversification of products, like furniture of bamboo as they are sold on high profit margin and have a high demand in the market. Regular design development program should be held to bring new designs in the market and produce according to the market trend.
- New technologies should be inducted in to meet international standards (color and design)

MARKETING:

SHORT TERM:

- Targets should be fixed to participate in fairs and expos organized all over the India.
- Retail outlets in Ranchi and handicraft emporiums of nearby states should be kept on target.

LONG TERM:

- Handicraft emporiums and retail outlets for decorative items all over the India should be kept on target.
- 5 star and 3 star hotels can also be approached to sell these items for their interior decoration and some exhibitions can also be organized in their campus.
- Prospects for exports can also be explored.

PROMOTION:

- In fairs a counter for Jharkhand specialty items should be kept in order to promote Jharkhand brand of items.
- Direct B2B contacts should be established for promoting and expanding the scale of supply.

MOTIVATION:

It is the most important factor to ensure regular production from the part of the artisans and develop an entrepreneurial attitude among them. A quality input of such kind is essential for development of these marginal families both economically and socially.

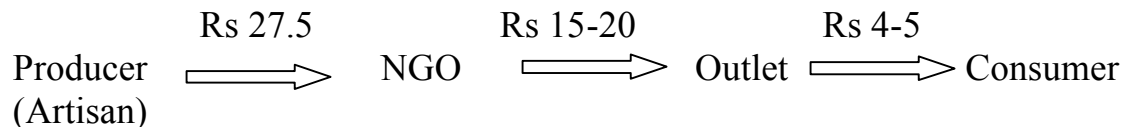
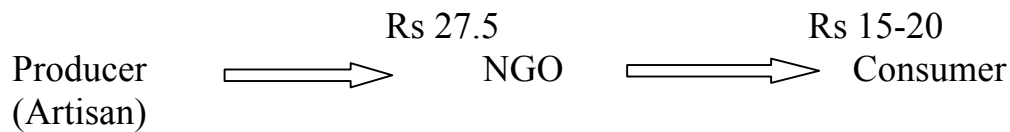
COST AND TIMING

Items	Price (RS) To artisans	Selling price (RS)	Items per bamboo	Productivity Per day
Lamp shade (model 1)	225	400	1	1/2pc
Lamp shade (model 2)	70	200	1	1pc
Lamp shade (model 3)	30-35	150	3-4	2-3pc
Lamp shade (model 4)	30-35	150	3-4	2-3pc
Phool dalia	25	30	5	2-3pc
Hair clip	10-12	15	15	10pc
Waste basket	55	80	1	1pc

- Average profit margin for the items for which value addition is done at 2nd level (NGO)= 227.38%
- Average profit margin for the items for which no extra value addition is done
= 47.75%

This profit margin includes transportation charge, monitoring and administrative expenses, packaging charges and other marketing expenses.

- The average level of margins at various levels for one piece are:



The above margins have been calculated for the items for which value addition cost at the 2nd level are not charged.

- In order to calculate weekly income of a person engaged in making decorative items, we consider lamp shade (model 3)
- It is assumed that a person is engaged in making one specific item and make items 6 days a week.

Price (of bamboo)(RS)	Price/piece (producer)RS	No. of items/bamboo	Productivity/day	Weekly production
25	30	3 pc	2 pc	12

For investment of Rs100, sales are of Rs360.

- Weekly income of a person= Rs260 (when minimum productivity and minimum number of items per bamboo are considered)
- Generally all members of the family are engaged in production. Thus for a family having 2-3 members, average weekly income = Rs520-780 {Involving labor of 7days;1 day for procurement of raw material}
 - **for utility items, average weekly income per family in peak season = Rs300-350**

The calculations have been done for the condition when regular production is done and bamboo is obtained from production cluster.

CHAPTER : 5

QUESTIONNAIRES

Questionnaire (for producers of bamboo products)

Name of the respondent:

Group/Organization/Cast he belongs to:

District:

Block:

Village:

- What type of products do make?
 - a) Decorative items
 - b) Items of mass use
 - c) Both
 - d) Others (specify)_____

Give details: _____
- _____
- Details of production of mass use items:

- Do you stock finished products for seasonal sales? Y / N
If 'Y', then how many days prior do you start production:

If 'N', then what are the reasons?

- a) Lack of capital
- b) Storage problem
- c) Problem of availability of raw material
- d) Others (specify)

- (For those who make decorative items) Are you trained? Y / N
Name the items: _____

Do you make these items on regular basis? Y / N

If 'N', then when do you make? _____

To whom do you sell?

- a) Consumers
- b) Institutional buyers (NGOs etc)
- c) Retailers
- d) others (specify)

Problem Faced by you In Selling them _____

What is the problem for decorative items rank accordingly?

- a) Availability of market
- b) Adequate returns according to labor and time
- c) Lack of proper skill
- d) Lack of required inputs

Do you get proper return according to the labor employed? Y / N

(Raw material)

- From where do you get the raw material?
 - a) Grow self
 - b) Collect from the forest
 - c) Purchase
 - d) Barter system

If 'grow self', then-

- a) How much land do you use for growing bamboo and can you contribute more land if the prospects in this sector increase? _____

_____.

If 'purchased', then -

- a) From where do you purchase? _____
- b) What channels do you use for purchase?
 - i) Direct purchase
 - ii) From market
 - iii) Through intermediaries
 - iv) others (specify)
- c) Why don't you grow on your own?

- Can you name some varieties of bamboo you use

Type of bamboo	Use	Cost	Place of procurement

- What methods do you use for transportation and cost incurred (if applicable):
 Raw material procurement: _____
 Selling of finished products: _____
- In which season do you face the scarcity of raw material? _____
 (Sales)
 (For mass use items)
- To whom do you sell?
 - A) Retailer
 - B) Agent
 - C) Whole seller
 - D) Institutional buyers
 - E) Others (specify)
- Where is the market for your product?
 - a) Nearby market
 - b) Nearby city
 - c) Exhibitions or local fair
 - d) others (specify)
- Who are your competitors? (if applicable)
 For raw material: _____
 For finished products: _____

- What are the problems faced by you in mass use items, rank accordingly?
 - a) Distance to the market ____
 - b) Transportation ____
 - c) Rate according to labor ____
 - d) Availability of raw material ____
- I/O ratio
 - A) Barter System

	Qty	Conversion time	Output Produce
DI			
MUI			

B) Raw Material purchased:

	Qty	Rate per Bamboo		Conversion time	Output Per Unit
DI					
MUI					

C) Grown by own

	Qty	Time for conversion	Output per unit
DI			
MUI			

Which type of technological support you need if provided

How Does Variation in shape/fineness affect price

- a) For decorative item
- b) For mass use item

- Proposed solutions for the problems faced:

Questionnaire (For retailer)

Name :

Address:

Phone No:

e. Mail:

- Types of product sold:

MUI: _____

DI: _____

- How do you purchase/place orders?

a) Take items on a regular basis (for SHG model)

b) Order as per requirement

c) Order in a structured manner (on periodic intervals)

- (For option c) How frequently do you order/Purchase

Seasons/months					
Order Size (Total)					

- From where do you purchase your product
(State/district/block)_____

- What channel do you use?

a) Direct Purchase (SHG/NGO)

b) Through Agent

c) Whole seller/Distributor

d) Direct purchase (Independent producers)

e) Others (specify)_____

- What problem do you face in existing channel?

- Are there any preferences for different variety in different months _____
Y/N

IF yes,

Month		Jan-Feb	Mar-Apr	May-Jun	July-Aug	Sep-Oct	Nov-Dec
Verity							
Qty Sold							
Price	C P						
	S P						

If No, What is the peak season for selling? _____

*(if applicable)

Month		Jan-Feb	Mar-Apr	May-Jun	July-Aug	Sep-Oct	Nov-Dec
Qty Sold							
Price	C P						
	S P						

- What factors affect the demand?

- What product sells most and what type of demand is put forth by customers? _____, _____

- In which variety of product do you find shortage of supply and what are the reasons for the same? _____,

- Who are your major customers?
a) Individuals b) Institutional buyers (Govt./Pvt. Offices)
c) Institutional buyers (Exports purpose)

- For what purpose do people purchase such items? _____

- Who are your competitors? _____
How many of them are in market? _____
- What are the problems faced by you in following matters, rank accordingly and give reasons for the same:
Price: _____
Quality: _____
Design: _____
Mode of transport: _____
Packaging: _____
Others (specify): _____
- Do you want technologically upgraded / better-designed product?
Y / N
If 'Y', then specify: _____
- What changes have come in market trend of demand in respect of quality-price-quantity:

	Last Year	Present Year
Variety		
Price		
Qty		
Govt. Policies		

- Do you get the product in desired shape and size? Y / N
If 'N', then does it affect sales? Y / N

SCHEDULE FOR CONSUMERS

Name of the respondent:

Village/Town:

Block:

District:

- 1) What do you purchase generally (bamboo)?
- 2) What are the items that you buy occasionally and what are those occasions?
- 3) From where do you purchase on special occasions?
Reasons:
- 4) Which factors affect your purchase decision?
 - a) Quality & finishing
 - b) Price
 - c) Both
 - d) don't know
- 5) Do you get desired product easily available in the market?
- 6) When do you face shortage and in which products?
- 7) What are the substitute products that have taken place of bamboo items and what is their advantage?
- 8) Do you want any improvement in quality/design of the product you use, Explain?