

DIAGNOSTIC STUDY
OF
BARGARH
HANDLOOM CLUSTER
DIST. BARGARH (ORISSA)

By



ORISSA STATE HANDLOOM W.C.S. Ltd.
BHUBANESWR
(ORISSA)

S.K. MEHER, C.D.E.
BARGARH

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I. Executive Summary

Bargarh cluster is famous for its intricate tie & dye design saris popularly known as Sambalpuri Sari. Barring few neighboring countries the export market for sari is limited though it is rich in art and tradition.

History of Bargarh has never faced a set back and is a growing handloom cluster. The quality and design of the products is gradually improving. The products manufactured have been changed from coarser count cotton to finer count and use of chemical dye stuff having good fastness got momentum. The only drawback is the products are costly and cannot reach low end segment of the market. The product needs to be diversified to suit the domestic as well as export market.

The core cluster actors are small weavers, Master Weavers and cooperative societies. Most of the cooperative societies are now running in losses because of which they are not able to take proper care of its members. It forced the members to take shelter of the master weavers. The Sambalpuri Bastralay HLCS Limited, one of the biggest primary cooperatives of the state once running in profit is also now facing the same problem. It is the pioneer of all cooperatives in the cluster and has done a lot of development for the handloom industry.

Analysis of business operation clearly indicates that, the weavers are facing raw material problems not in the terms of availability but in the terms of high price fluctuation. Most of the weavers, Master Weavers and cooperatives purchase the raw material from the private traders on credit for which, they have to bear some extra cost.

Analysis of business operation reveals another fact that, the weavers are in need of dyeing and design improvement to suit the niche market, besides improving their looms, with some technical modification on the old pit looms.

The most important observation is that, though the products are of high quality and rich in design, still it has not reached to export market and have not been able to establish a good position in the national market as well. In this field the products are to be diversified according to the market demand for which market survey has to be conducted.

There are no such BDS providers in the cluster.

Most of the dyeing units are confined to private yarn traders. The dyeing unit of, Sambalpuri Bastralaya, need to be modernized and at least 30 to 40% of the capacity need to be utilized by other weavers, master weavers as well as cooperatives.

There are number of SHGs in the cluster, which have been financed by the banks under various Govt. Schemes like SGSY. But their functioning is not up to the mark for which one federation of the SHGs needs to be formed which administers the overall development of weavers. It may also take the help of NGO called "BISWA" for support.

The Value Chain analysis speaks for entering in to niche market with some value addition to the products and some reduction on raw material cost.

In the action plan prepared, main emphasis has been given to reduction in cost of raw material, design and dyeing development, technological up gradation, diversification of products to establish a good position in the niche market.

The strategy for direct market linkages will be established by conducting buyer-seller meets, exposure visit big retail out lets in Metros, participation/ organization in different fairs and exhibitions. In addition to the above, common product brochure catalogue will be published for facilitating the market linkages.

The cluster which is having around 5000 active looms, with 16 National Awardees, 10 State Awardees and with one large PWCS "Sambalpuri Bastralaya", there is a great scope for further improvement.

By proper intervention in the all above stated areas, the Bargarh Handloom cluster can achieve the targeted turnover, with increase in working looms and proper market linkages by the end of the programme period.

Introduction

The tie and dye, in real term 'IKAT' is derived from Mangikat a Malayalam word, means to bind, tie and wind around. The IKAT is a tie-dye process on either the warp or weft or both in warp and weft according to the designs.

At the primitive age the design under tie and dye was a creative motive on the mind of the weaver basing on the natural scenario mainly the scenery, animal motifs, flowers and plants. The design is impregnated over the yarn under tie and dye process being translated in to a graph from a rough sketch paper diagram. It some times happened directly on the yarn by the weavers from their mindset but depends upon the skill of the weavers. For its intricate art of long traditional design of excellence and craftsmanship of the weaver's community on tie and dye fabrics, most popularly known as Bandha fabrics have a wide name and fame within the country and abroad.

The tie and dye technique is mostly used in weaving Sarees, dress materials, lungi, bed cover etc.

Handloom in Orissa

The writings on the stones of Khandagiri Cave in Orissa suggest that the art of weaving was in Orissa before 600 B.C. Similarly some carving in the temples of Sonepur district (Baidyanath temple) indicates that weaving was in existence in the area during prior to 9th A.D. Besides weaving with cotton yarn, there was also weaving with Wild Silk (Tassar), Wool and the fibers from stem of the Lotus.

Orissa has also the history of exporting handloom fabrics to the Southeast Asian countries like Thailand, Java, Borneo and Sumatra (Last three are the islands in Indonesia) during pre-independence period in sea route. It is therefore also believed that the Handloom production in Orissa were concentrated along the bank of river Mahanadi and some other big rivers of Orissa.

Orissa had 1, 29,236 (1951), 1, 19, 005 (1987), and 92,869, (1996) number looms as per the handloom census figure, which shows a continuous decline in the loom position. Similarly 4.15 lakhs of weavers population were in 1987. Western Orissa contributes about 55% of the total weavers in the State. 85% of the weavers have single loom.

Handlooms production in Orissa has also a lot of diversity which mainly includes tribal production of Kotpad area on vegetable colours, tie-dye / extra warp weft design on silk and cotton of Sonapur, extra warp and weft design of Jagatsinghpur, Tassar of Gopalpur, Makidia, silk of Berhampur, famous Khandua of Nuapatna and famous tie and dye of Bargarh. The products include mainly Saree (71%), dress material, tassar thans, furnishing, lungi and napkins etc.

In Orissa the tie and dye technique (IKAT) are spread almost all over the state, mainly centred in Sonapur-Bolangir-Bargarh, Sambalpur district and parts of Sundargarh district, in Western parts, Cuttack district in eastern part whereas Kalahandi-Nuapada district in Southern parts of the state.

The Ikat of Orissa has a wide range of flowers, fish, animals, God and Goddesses etc., as their motifs where as the Ikat of other states have geometrical and bold patterns as their motifs. The weavers of Orissa have the high skill to produce tie and dye fabrics with sharp and intricate designs. These weavers have inherited these techniques from their ancestors. Each weaver of the trade has a creative mind and with the flow of time has diversified the designs and products to suit the present market demand.

Important Schemes under Implementation in the State:

1. Deen Dayal Hatkargha Protsahan Yojana: To support and assist the total gamut of handloom activities.
2. Housing of Weavers: It provides grant for construction of fireproof work sheds to weavers.
3. Integrated Handloom Training programme: To upgrade the weaving / Dyeing / Designing skill of the weavers and managerial skills of the entrepreneurs.
4. Mahatma Gandhee Bunakar Bima Yojana: It provides insurance coverage with a subsidized premium for death / disabilities to weavers and stipends to their children continuing their study in class ix to xii.
5. Health Insurance Scheme: It reimburses the medical expenses of weavers family (subjected to a maximum of four members and limited to Rs 15,000/-) at a subsidized premium

BOYANIKA

(Orissa State Handloom Weavers Co-Operative Society Ltd) – Implementing Agency

The Implementing Agency, Orissa State Handloom Weavers Co-Operative Society Limited, is a 50 year old organization of Orissa, which is providing active support to Primary Weavers Co-Operative Societies and master weavers in marketing their product. The Implementing Agency is repositioning itself to emerge as a leader in design intervention, product diversification, and support in terms of improved inputs and international marketing. It already has 900 number of PWCS as it's member all over the State and has been accorded crucial in intervention in MAI (Market Access initiative) and OFFDI (Orissa Fund For Development Initiative) programme. BOYANIKA offering to implement Bargarh IHCD (Intensive Handloom Cluster Development) programme is thus a reflection of it's broader perspective and a very significant leadership role in western Orissa, thus strengthening the activities of Sambalpuri Bastralaya, PWCS, SHGs, and independent weavers of the area.

Bargarh Handloom Cluster :

Baragarh Handloom cluster is spread over the entire Block of Baragarh, Attabira, Bijepur and Sohella. The cluster has 7158 numbers of looms as per the survey report of the zonal Handloom office taken up during the year 2004 out of which 5102 looms are working in 299 different villages. The main products of the cluster are cotton sarees of tie-dye and small amount of dress materials, lungi and napkins etc. The annual production is around 10 Crores rupees. The products of this area are mostly marketed in Orissa and National market. The cluster so to say represents Orissa in quantitative and qualitative Tie-Dye Cotton Sarees as no other clusters of other districts in Orissa produces such sarees.

III. Historical Evolution Of the Cluster

Bargah is one of the revenue district of Orissa situated in western part. It is 380 Kms. from state capital, Bhubaneswar and around 50 Kms. from nearby Sambalpur Town. The town is well connected with road and railways. it is on the Road side of NH 5 (Mumbai – Kolkatta). The nearest Air port is Raipur, state capital of Chhatisgarh.

Origin

The weaving in the cluster by the traditional weavers community popularly known as "Bhulia" came in to existence during mid of 17th century and with increase in their population they spread to other nearby places. They initially belong to Rajsthan and were presented during the 14 th century to the ruler of erstwhile Patana State, a king of Chouhan dynasty "Ramai Deb". Later on they were presented to the king of Sonepur during the 16 th century and scattered to the near by district i.e., Bargarh in the next century.

Statistics

The cluster consists sizable number of professional weavers (Non traditional) from Schedule Caste and few from Schedule Tribe (Kuli caste) weavers, which in total accounts for 60 %. Generally these weavers are less skilled and engaged in production of Napkin, Lungi, coarse variety Sarees and Dhotis, long than etc.

Technology

Weaving with Tie dye in the cluster prior to 40's was done with 40"/42"looms operated with hanging slay and engaged in producing Kapta, Lungi and napkins made of 12's/16's/20's cotton yarn. The yarns were dyed with vegetable colours. The main colours were Yellow (from Turmeric), Maroon (From bark of Aal tree), Blue form Nile and Black (From hirakasi and Chakda Seeds). Fabrics of vegetable colours were sometimes not fast and ranges of colours were also limited, forcing the Tie-Dye production in to limited

colours and so also the design. Such practice was on vogue till the mid of 40s when vat colour was first substituted for in place of some vegetable colours.

The next major changes in the cluster took place with the introduction of twisted cotton mercerized yarn and synthetic colours in the early 60's. The looms started widening mainly to 52" width for normal sarees and other production and 90" for double bed sheet production. There were also few 60" / 72" looms to accommodate weaving of middle-sized bed sheets.

History

Activities in the cluster started taking momentum with the involvement of Late Padmashree Dr. Krutartha Acharya and his four associates in the cluster area during 1942 and started their business with production on limited numbers of looms. Later he converted his business in to a co-op. society named Sambalpur Bastralaya registered during the year 1954 under "Bihar and Orissa Co. op. Societies Act" and established in Bargarh town. This is the first firm in the cluster, which took the leadership in weaving activities of cluster and stood as a milestone in it's history.

To look after the interest of the industry, Office of the Assistant Director of Textiles, Baragarh was established and started functioning from 1962. Similarly Orissa Weavers Co-Operative Spinning Mill at Tora, a village adjacent to Baragarh started it's functioning during 1971 and acted as a forward linkage to the industry by providing major raw material input i.e. yarn. Marketing supports from Bastralaya, / Orissa State Handloom weavers Co-Operative society, functioning of a production branch of Orissa State Handloom Development Corporation at Baragarh to look after the weavers working out of the Co-Operative fold, availability of yarn at reasonable price at the door step encouraged the activities of the Weaver Co-operative Societies, which were the major firms and maximum in number till the mid of '00s which grew up mainly during 1980-1996. Inducing production agents to Corporation branch and gradual declining activities of OSHDC started giving birth to private entrepreneurs from early 90's and now a number of master weavers, traders are in the business. On the other hand gradual reduction of Government subsidies, declining support from apex WCS, closure of Handloom Development Corporation, closure of local spinning mill, abnormal increase in yarn price, and mismanagement at the primary wcs level are the main reasons of reduction in the number of active co-operative societies.

Unlike the Tie-Dye work of other states of India, the motif and designs of the cluster are infinite in number and every motif or design is categorized under a special caption. No design is let out without giving it a name. It shows the creative mind of the weavers of the region.

IV. Sketch of MSMEs and other actors:

Core Cluster Actors

Master Weavers

Master weavers are those weavers who by virtue of their enterprise or available resources, not only weave but also support other weavers by providing them raw material and buying back the finished sarees. 87 numbers of master weavers are in the cluster. Usually the master weavers are in joint family and shares the responsibilities involved in the production and sale cycle. The master weavers also give the colour combination, technical guidance, and graph as per the design. Some times they also supply the required accessories.

The master weavers of the area play the most vital role in employing the local weavers and 40% of the weavers in the cluster are weaving under the master weavers where as 36% and 24% weavers belong to Co-Operative and independent category respectively. They sell their product to Apex WCS, in the show room established in different town/cities and to the whole seller / retailers in metros like Calcutta, Mumbai, Delhi, Chennai, and Bangalore etc.

Weavers

There are 5102 numbers of working looms and about 9000 weavers are in the cluster. They belong to Bhulia and Schedule caste out of which the Bhulia are dominating in numbers. Their craftsmanship is excellent and unique in weaving traditional cotton tie-dye designed products.

Institutions

There are 19 PWCS, and 138 SHGs functioning in the cluster.

Tie-dye makers:

The cluster produces Tie-dye fabrics for which preparation of warp/weft as per the design is highly essential. Normally the weavers do this for their consumption. Still there are some weavers exclusively work to produce tie-dye and sell it to other weavers. Such separate groups of artisans are 206 numbers in the cluster.

National /State Awardees

The clusters have a good number of high skilled weavers who by virtue of their excellence have received honour from the Central / State Government. Some of them are working as weavers where as others have turned them in to Master weavers. The cluster has sixteen numbers of National and ten numbers of state awardees.

Traders

The traders used to purchase the fabrics and sell it in the shop established by them at Bargarh/other block head quarters/villages and supply to big cities and metros. There are number of such persons who contribute to the activities of the cluster and thus play an important role. There are 24 cloth shops in the cluster dealing with local handloom products.

Other Cluster Actors

Raw material suppliers:

Baragarh the head quarter of the district has the pride of establishing it self as the biggest Raw Material bank not only in the State but having it's roots also in the neighboring state like Chattisgarh, Bihar, parts of West Bengal. All the major handloom clusters of the State are dependent on Baragarh for purchasing their raw materials.

The cluster has eight numbers of big suppliers of raw material who procure cotton, silk, dye stuffs and chemicals directly from the manufacturer and act as whole sellers/retailers for supplying it to master weavers/ weavers/ traders / institutions etc. Besides this about 8 to 10 village level traders are engaged who usually take the raw material from the big traders at Bargarh and sell it in the weaver pockets. One spinning unit having capacity of 5000 spindles has been established and functioning since last six years at "Dasmile Chowk" about 18 Kms far from Baragarh. The unit however at present is out of functioning since last three/four months.

Cost of Raw Materials

Yarn Rates: _____

Cotton 2/120's Grey	Rs 1900/- to 2200/- per 4.54 kgs.
Cotton 2/100's Grey.	Rs 1600/- to 1700/- per 4.54 kgs.
Cotton 2/80's Grey.	Rs 1100/- to 1200/- per 4.54 kgs.
Dyeing per bundle Vat.	Rs 350/- to 700/- per 4.54 kgs.
Dyeing per bdl Napthol.	Rs 250/- to 350/- per 4.54 kgs.

Accessories suppliers

There is one firm in the cluster who supplies the minor accessories to the weavers by purchasing it from the manufacturers from out states. The major accessories are available on placing order with the same firm. The weavers also arrange some accessories like doobby/Charkha/Natei etc at their village level through local carpenters and Sar reed by reed manufacturers.

Support Institutions

The following institutions are available in the cluster to support the weaving activities in the cluster.

Department of Textiles and Handlooms, Government of Orissa

The Handloom and Textile Department of the State Government is the main support Institution for the cluster and execute various activities through its divisional and zonal office at Baragarh headed by the Joint Director of Textiles and Assistant Director of Textiles respectively. The zonal office executes all Developmental Programmes extended by the State as well the Central Government, coordinates textile activities taken up by other institutions and look after the administration of the WCS, where as the divisional office functions in the supervisory capacity with same aim and objectives. However it is experienced that these Offices have mostly concentrated to the activities related to the WCS.

Apex Co-op. Organization (BOYANIKA):

This institution is the State level Apex organization of the primary societies meant to help in marketing of fabrics of the primary WCS through procurement, exhibitions & Expos, exploring new national and International markets, and providing other improved inputs.

Weavers Service Center, Bhubaneswar

This organization is basically organizes training programme for the skill up gradation of the local weavers through training programme. Now WSC is organizing designing, jacquard weaving, dyeing training, and managerial skill up gradation training programme for the cluster through PWCS and NGOs under Integrated Handloom Training programme (IHTP).

National Handloom Development Corporation:

It is an undertaking of the Central Government having zonal office at Bhubaneswar used to make yarn business in the cluster. It also helps the cluster in organizing/facilitating dyeing training at field level as well as out of the State in the dye-manufacturing units.

District Rural Development Agency:

It is an agency engaged in promoting developmental activities in the District. It has a good involvement with the cluster on Handloom activities. It is helping the cluster with Infrastructure support, Working Capital subsidies for Self Help Group, and training to SHG weavers etc. During last three years it has provided one Common Facility Center each in three villages of the cluster. Funds under Special SGSY programme from this Agency can be available for the cluster development activities.

Padmashree K. A. Center for Co-operative Management Bargarh:

This institutes organizes training programme for the employees, board directors and weaver members of the PWCS as well as to the staff members related to the Textile & Handloom Department on the principle of Co-operation, financial management system of Co-operatives and other administrative matters including legal procedures. It works basically for the development of Co-operative movement in the district.

Textile Committee Bhubaneswar:

Textiles Committee, established in 1963 by the Act. of Parliament, an autonomous body at the National level has it's branch office functioning at Bhubaneswar. It aims at helping clusters in testing of yarn, dyes, chemicals and fabrics, facilitates exposure visit of the weavers and other critical issues.

Institute of Textile Technology, Choudwar, Cuttack.

The only textile institute of the State in the name of Institute of Textile Technology, Choudwar, Cuttack provides diploma and degree courses for textile technology.

The institute can be used for conducting training programmes on new dyeing / designing for the weavers in the cluster as well to assess the quality of the textile related items.

NABARD:

The National Bank for Agriculture and Rural Development has one district office at Bargarh, which sometimes provides training to handloom weavers through NGOs. There is a scope of involving NABARD in the cluster development programme for providing training/exposure visit to weavers and supply of improved weaving accessories like Jacquard, Dobby etc.

Financial Institutions: (Banks)**Nationalized Bank,**

The cluster has seven numbers branches of State Bank of India, five branches of Union bank, four branches of Andhra bank, two from United Commercial Bank, and one branch each from, United Bank of India, Central Bank of India, Syndicate Bank, Punjab National Bank, Indian Overseas Bank and Allahbad Bank. The branches have its area of operation under which they operates to provide financial support to SHGs/ individual weavers and SMEs.

As far as support to the weaving activities of cluster is concerned, State Bank of India plays the lead role. It extends loan facilities to master weavers and traders through term loan and cash credit loan with an interest rate of 10 to 12% for term loan and 10.75 to 11.00 % on Cash Credit loan. The Cash credit loan operates for one year where as Term loan operates as per the project report. However the securitization and authentication of various factors by the bank do not encourage some business people to avail loan from this bank.

Sambalpur District Co-operative Central bank.

Though the name suggests as Sambalpur DCCB, the head quarter of the bank is situated at Baragarh. It has six numbers of branches in the cluster area and the bank is meant to extend Cash Credit Loan facilities to PWCS of the cluster. But due to heavy outstanding of the WCS with the bank, now such operation has been stopped. It has also lended Cash credit loan to limited traders.

Bolangir Anchalika Gramya Bank

There are seventeen Branches of the Bank functioning in the cluster area. The branch have made marginal finance to some individual weavers and to self-help groups.

Sambalpuri Bastralaya HI.C.S. Ltd. Bargarh

was from this cluster. There are sixteen numbers of National awardees in the field of tie-dye weaving but none of them serve for the common purpose and confined as Master Weavers / traders.

Infrastructure Analysis Of The Cluster:

The cluster has five numbers of common facility centers, which are mostly used for sizing work during monsoon. Common facilities centers were established to facilitate the weavers for doing warping and dyeing. Out of these five, two numbers are managed by Co-operative Sector and rest three through SHGs. However necessity for construction of more common facility centers shall be required in coming days, as open spaces in the weaver villages are gradually used for construction of residential houses. Among the possible infrastructures, construction of common facility center equipped with long warping machine is at the present stage is essentially required. Besides a display center of handloom product, CAD/CAM center at Baragarh are the infrastructure necessary. Exclusive dyeing unit at different potential pockets of the cluster are also required for centralized and qualitative dyeing which should be taken care of.

V. Analysis of Business Operations

Defining the product:

The cluster produces mostly Cotton sarees with 48" width by employing twisted cotton yarns ranging from 2/80's to 2/120's count. Cotton Sarees are mainly of i) plain body with tie-dye anchal ii) Body design having single Ikat or double Ikat motifs. Other products include tie-dye dress materials, and small quantity of bed sheets, lungi, napkins and handkerchiefs.

Sequences of activities

The process of weaving involves a number of activities like warping, sizing, winding, dyeing, preparation of Bandha etc. Some of the important processes are discussed below.

Warping.

The process for preparation of yarn from hank form to make warp is called "Warping".

The hank yarns are first transferred to Natai (a traditional winding device Fig-1), and then it is wound around the warping frame (Fig-2) in relation to the length of the warp. The non-weaving members of the family mostly ladies, normally perform this activity.

Preparation of Bandha (Tie-Dye):

Before the yarn is tied as per the design, the white yarn is straightened by the help of a wooden frame named "Kamada". Prior to this, the yarn is warped according to the desired length. The ends are set separately in portions known as Ganthis (group of threads). Now the Ganthis are tied as per the design and whole of the tied/untied yarns known as "Chhanda" are dipped in to the colour bath (Fig-4) The colour thus penetrates in to the untied portion. Subsequently the coloured portions are tied and the previously tied portions are untied to dye with a different colour, as the design requires. Such process of Tying & Dyeing is repeated till the Chhanda gets it's Bandha design. After dyeing is completed, the Chhanda are completely dried, all tied portions are untied and straightened to make it ready for weaving

Preparation of Weft:

Weft yarns are tied and dyed to facilitate a prominent boarder. In such process the hank yarns are transferred to "Natai" and then wounded on a device locally known as "Badhi Pura" (Fig-5) as per the width of the saree to be woven. Then the boarder portion is tied and dyed as per the width of the boarder followed with pirn winding (Fig-6).

Sizing

Sizing is done to strengthen the warp yarn and make little stiffer so as to withstand the beating of the reed during the weaving process. It also gives the fabric an even weaving and sound look. Sizing is done only for cotton yarn by using the residue after rice preparation called "Mud" in local language by the help of a sizing brush locally termed as "Kunchi". The sizing is normally done in free space nearer to the weaver cottage in the village.

Preparation of loom: Preparation of loom is broadly classified in to the following categories of work.

Drafting

The process of passing the warp yarn through the heald of the loom as per the design is known as drafting. This helps to keep the warp yarn in parallel form over the width of the loom & in locating a broken yarn during the process of weaving.

Denting:

In this process warp yarns are passed through the reeds and the healds.

The warp threads are to be joined with the old warp threads with a local method of twisting by hands.

Setting up of Dobby:

Sometimes in order to put extra warps in the boarder to weave a design an attachment called Dobby is fitted to the loom. This also helps in changing the border design easily and frequently there by also helps in increasing the productivity. Generally 4 to 12 shaft dobbyes are used in the cluster area for the purpose.

Weaving

After completion of all the above processes, the weaving process gets started. The skilled weaver of the family performs this process. The looms being used in the cluster area are mainly traditional pit looms with throw / fly shuttle technique. During weaving of a tie-dye fabric the weft yarns are usually set on the fall of the fabric after each beating. This is an essential and important feature.

Analysis of Production Cycle: In the cluster normally two numbers of sarees are woven in a single production cycle. The following table illustrates duration of the individual intermediary process and persons engaged for the same.

Production Cycle System (For 2 pcs -11 mtrs)

	Total Process	Weaving of Fine Cotton variety	Weaving of Coarse Cotton variety
i)	Warping (Tani pura by females)	1 Day (8-10 hrs) for 2 pc i.e. 11 mts	1 Day (8-10 hrs) for 2 pc i.e. 11 mts)
ii)	Preparation of Tie an Dye (2 persons)	4 Days	2 Days
iii)	Winding (By females & children)	1 Day (Casually done by females & children)	1 Day (Casually done by females & children)
iv)	Sizing (by 2 male persons) (Street Sizing method)	4 – 5 hrs	4 – 5 hrs.
v)	Preparation of looms	3 – 4 hrs.	2 – 3 hrs
vi)	Weaving	7 Days	3 Days

Raw Material:

Raw materials used in production are mainly the mercerized cotton yarns (2/80's to 2/120's) and dyestuffs. The weavers mainly use yarn purchased from South India through Traders / Master Weavers / /N.H.D.C. Though availability of raw materials is not a problem in the cluster as the State's biggest trading of cotton yarn is carried at Baragarh, it has some eye catching issues needs immediate attention for remedies.

i) Yarn: The cotton yarns over the past few years have experienced a highly fluctuating upward trend in price. The tie-dye weaving for it's labour oriented manufacturing system with involvement of high skill also produce high valued fabrics. Under the circumstances it becomes very difficult to accommodate the rising yarn price in the tie-dye weaving system as further increase in fabric price creates hurdles in marketing. Some times it has been observed that the master weavers and traders never hesitate to compensate the yarn price rise in using the inferior quality of yarn. When this also becomes critical then they start adjusting the increased yarn price by deducting the same from the wage of the weavers. This therefore has an adverse affect in wage earning of the weavers as well as on the cluster activities.

ii) Dyestuffs: Dyes and chemicals are usually purchased by the master weavers/ traders/ Co-operative Societies from the local dye suppliers. Most of the dyestuffs/chemicals are purchased on small scales in open state and supplied through loose packs. The quality, genuinity and price of the same is therefore always questionable. The dye users as well as the traders are still not fully aware of the banned dyestuffs by the developed countries and therefore the tie-dye fabrics are not free from such doubts.

Production related problems:

Use of old looms:

However use of traditional throw shuttle pit loom, short warping also consume more time in production process. For deviation in design, the cost becomes much more as production of limited Bandha for a design become more expensive.

Traditional preparatory work:

The pre weaving process such as pirn winding, peg warping, loom setting, are all of primitive nature and obsolete. This highly consumes time and engages the family members of the weaver. This may be overcome using warping machine recently available and used for silk warping.

Similarly the **sizing** is invariably carried out in the village streets in open spaces, which is thus become prone to weather and poses problem in summer as well as in rainy season.

Poor Dyeing

Fastness in Dyeing is a continuous problem as witnessed in the cluster. Naphthol dyed cotton fabrics are not fast to rubbing, sunlight. As such it is seen that in some of the saree the boarder and anchal portion feds while the colour of the body is intact. The main reason is the decentralized dyeing in traditional manner. In the cluster the weaver used to colour the yarn on his own. The dyestuffs are carried on small packets for this purpose never guarantees on quality. Maintaining appropriate dyeing parameters, yarn quality, also sometimes plays important role in qualitative dyeing. Similarly there is no logical management on percentage of shade, for which yarn dyed in one lot with one shade differs with the yarn dyed in another lot with same shade. This is the main bottleneck in complying orders received from parties as well as not conducive for export purposes.

Design related problems:

Inadequate design development

There are no conscious efforts for design development. The design developments are basically dependant on the weavers. Limited feed back on present market trend to the weavers on design and colour

aspects forces the ongoing motifs on use frequently with minor modifications. So far the cluster has no computer added design center. This has also put a limitation to the supply of designs and experimentations with colour combinations.

Weavers reluctance

It is also experienced that even introduction of a new design should cost lower wages than the earlier design still the weaver does not agree to weave it. This is basically the mindset of the weavers of the area.

Technology related problems:

Limitations of tie-dye weaving

There is no invention for production of Tie-Dye in modern looms and almost the same technology is being used which was in the process since long. This is the main obstacle in raising the productivity per loom. Looms are mostly of 52" width and widely used for production of Saree/dress material having maximum width of 48". Tie-dye productions have also some limitations for colour combinations. Scopes for product diversifications under such conditions are limited.

Loose threads

In tie-dye weaving, each of the weft thread is adjusted as per the design after a beating is over. During such process it is a common feature that the weft threads on which bandha designs are made left loose on the boarder because of the extra length of the weft yarn than the fabric width. This makes one side of the fabric ugly and often criticised by the customer.

Use of modern attachments:

Dobbies are used for the weaving the boarder of tie-dye fabrics. The dobbies are small enough to employ big designs and can be replaced with modern dobbies having more capacity. Similarly uses of Jacquards are yet to be tried out. The cluster is still using sar reed (made of bamboo and wood), which has many short comings like short durability, and put reed marks on the fabric by creating uneven gap in between the warp threads. It also causes improper beating there by hampers the texture of the fabric.

Finance related problems:

In the cluster the weavers are engaged in three forums e.g., Individual weaver, under Master weavers/traders and under SHGs/Co-operatives. Numbers of individual weavers are relatively less and they normally depend on borrowings to pull their weaving activities. The bankers have little inclination to provide credit to the individual weavers as a result of which the out turn under Swarojgar credit Card and Artisan credit card is very poor. This compels such weavers to opt for micro finance from MFIs or borrow loan from moneylenders. In either case they are subjected to high rate of interests. It is seen that the rate of interests charged by the MFIs and moneylenders usually ranges from 14-18% and 18-24 % per annum respectively. They also purchase yarns from the traders on credit basis at a high rate than the normal price. Combination of these factors adversely affects their earnings.

The masters weavers also suffer from similar type of problems as described in para supra but the master weavers are relatively reluctant in availing bank loans and prefer purchasing yarn on credit.

138 SHGs groups and 19 numbers of Co-operative Societies are functioning in the cluster. Out of 138 SHGs 117 have been provided with Rs 1.80 Crores towards working capital out of which 50% are subsidy. Similarly 22 numbers of WCS of this cluster have availed 1.71 Crores as cash credit finance from the District Central Co-operative Bank. Out of these 22 WCS, 9 are presently under defunct condition. Sambalpuri Bastralaya has also a Cash Credit outstanding of Rs 32.56 Crores availed from SDCC Bank, Bargarh but the amount has been utilized for the whole of area of operation of the society. Contribution of

the out standing to the cluster is around 10 crores. At present finance has been stopped from the District Central Co-operative Bank. Introduction of One Time Settlement Scheme in the State and submission of proposal in favour of seven numbers Weavers Co-operative Societies is lying unattended by the Sambalpur District Central Co-operative Bank. This has almost stopped the credit flow to the Co-operative sector from the District Central Co-operative bank and the societies are utilizing their own resources through other banks as well as purchasing the raw materials on credit.

The cluster has also a typical problem relating to the deduction of Employees Provident funds from the weavers. Though the weavers under the Co-operative fold are the shareholders and not the employees, the officials from the PF office are registering cases and seizing the bank accounts of the Co-operative Societies forcing them to more financial crisis.

Marketing Issues:

Competitions from Power loom.

Now a days the power loom cloths are available in print alike the tie-dye designed fabrics and costs much less than the original fabrics. Though in long run, it does not give as satisfactory services as the original one still it is able to capture a big market share particularly that of lower middle class customer and also deteriorate the market potentiality of the cluster.

Seasonal demand of product:

The fabrics are mostly sold locally. There is a tradition in the local area to gift Sambalpuri sarees to the near relatives in any big function like marriage; thread ceremony etc. Heavy sales also occur during local festive occasions like Dashera, Sabitri, etc. As such the fabrics are mostly sold during October of a year to the June of the next year. This forces the weavers to sell their products in lesser rate during the off-season i.e., from July to September.

Poor communication/linkage with big traders:

The cluster is in the western part of the state and production is taken up in the village area. Communication takes much time to this place. As such the fabrics are sold to the big traders at their business place, and at best, the big traders visits Bhubaneswar for such marketing purposes.

Credit Sale

The fabric sales mostly on credit basis. It is seen that the master weaver usually waits for three to six months to get his sales proceeds depending upon the season. This forces him to put some cushion in his sales price to compensate the interest he pays for the blockage of working capital.

Effect of Generation:

The product of this cluster is almost meant for ladies. Still the old ladies of not only this cluster but the whole of Western Orissa uses no other saree except hand loom fabrics produced in this region. But in gradual course of time, the behaviour has changed. The school/college going girls, serving ladies have no blind inclination in favour of the handloom sarees. The sarees of this cluster are not only costly but also not conducive for summer use. As the region is hotter, only winter is the idle season to use such fabrics. All these parameters go against the prospect of a better marketing and therefore show decline in the local market trend and hence there is need to move to the niche national market.

Effect of pricing:

The area has no fixed pricing structure. For same design and quality, the product price may vary from weaver to weaver, master weaver to master weaver and trader to trader. Sometimes to compete in the market, low quality fabrics are woven by reducing required length/width, substituting less reed/picks, and using inferior raw materials, which destroy the good will of the local fabrics.

Unhealthy competition:

Often it is observed that the master weavers do not hesitate to highlight demerit of another master weaver to get a market share from the trader with whom the earlier one is transacting. To go against the competitor, some times they used to sale the fabrics under value which adverse the market.

Credit Analysis Of The Cluster:

The cluster has 7158 numbers of looms. A loom produces four sarees in average in a month (working in average for 24 days), which consumes about 450-550 gms of cotton yarn (depending on the count) at an average rate of Rs 200/- per sari per loom, which means a loom needs yarn of Rs 800/- per month and Rs 9600/- or say 0.096 lakhs per year. Therefore the cluster with a working loom of 5000 shall require Rs 4.80 Crores of cotton yarn. The dye & chemical cost for 2, 40,000 number of saree shall be 1.20 crores (at the rate of Rs 50/- per saree) so the total requirement of raw material shall be around 6.00 crores of rupees.

Similarly wage component, which comes around 40 % of the cost of production, shall be around Rs 4.00 crores. Thus the total requirement of working capital is Rs. 10.00 crore in a year. It is considered that the production-sale cycle shall take two complete rotations during a year. The credit therefore for revolving working capital of the handloom activities shall be Rs 5.00 crores per annum.

* (All productions have been dealt in term of sari and the calculation is based on average calculations.)

Analysis Of Social Capital:

The cluster has numbers of NGOs but two NGOs namely BISWA (Bharat Integrated Social Welfare Agency) and MASS (Manab Adhikar Seba Samiti) are mainly associated with handloom activities of the cluster by providing skill up gradation training. BISWA also finance the SMES/ individual weaver and act as a Micro Financing Institute. There are 138 numbers of SHGs, 87 numbers of Master weavers, and 19 numbers of working Weavers Co-operative Societies. None of the groups have any association or formal leaders. The SHGs of the cluster should be brought under one umbrella to form a federation, select their leaders and start enhancing the Social capital of the area by cross fertilization of ideas, increase number of firms, creating net work among the stake holders etc. There is neither any association nor any other forum is available for taking steps to solve the major problems of the weavers. Bastralaya is the only Primary Weavers Co-operative Society of having a registered employees union.

Case Study of Sambalpuri Bastralaya

The Sambalpuri Bastralaya HLCS Limited is founded by late Pdamasri Krutartha Acharya during 1954. Wage structure of Bastralaya is normally better than others and thus prevents the weavers from exploitation by the master weavers. The marketing front of the cluster is also lead by the Sambalpuri Bastralaya and the market rate fixed by the Bastralaya for each of the product remain as a guideline for the traders as well as the master weavers to follow it.

Problems

1. The working capital of the society has been decreasing day by day due to continuous losses accrued during past years. This has affected reduces the transaction vis-à-vis employment provided to the weavers.
2. The society has an accumulated slow moving stock of about 3 crores. (Accumulated from past years)

Measures to be taken

In order to make the society sustainably viable and to provide regular employment to all its weaver members, the following points may be considered.

1. Settling of O.T.S. proposal and waiving out the interest burden
2. Special financial package for the society for proper functioning of the society.
3. The society should down size the staff strength on implementation of VRS scheme.
4. Release of pending claims receivable from Govt., (Central & State) to the tune of Rs. 6.00 crores.
5. Release of cloth dues from different organization pending since long to the tune of 0.68 crores.
6. Proper market linkages with buyers as well as exporters.
7. Improvement on weaving technology to suit export oriented production.
8. Modernization of existing Dye house.
9. Installation of one CAD/CAM centre with modern facility.

Case Study - Balijori Haat

In Baragarh town a weekly haat is held on every Friday since long. To coincide this being a major handloom area, one cloth market is also held on the same Friday. From the history and enquiry it is learnt that the same market is functioning since last 100 years. It was functioning in Baragarh town up to 2002. Due to some complaints of theft and harassment by some mischief as well as due to shortage of space, the same has been shifted to Behera Market Yard of R.M.C. Baragarh near Balijori village, around, 12 K.M.s away from the town. From that day it is known as "Balijori Hat".

The market on each Friday starts functioning at 4 A.M. and continues up to 1 P.M. It is estimated that the business turnover in peak season per hat is around Rs1.25 to 1.50 crores. The weavers, master weavers and Traders as well as yarn, dyes chemicals, equipment suppliers use to come to the hat for providing a common platform of trading of handloom related items. Besides, western districts of Orissa, the businessmen and weavers from other coastal district of Orissa, near by area of Chhatisgarh, and M.P. also come to the hat.

It is unique of its kind as in no where such type of market seems in existence. Here the weavers sell his product of one week/two week, so in number it is very less like 4pcs/6pcs/8pcs to 10-20pcs also. In festive season the weavers/traders earn good margin where as in off-season the case is just opposite and the weavers usually sell the products relatively at a cheaper rate to meet their livelihood.

The major strength of the market is that it is common platforms where all the varieties of fabrics produced in western parts of Orissa, M.P.; Chhatisgarh etc. are available which help the Traders/Shopkeeper for a better and easy purchase.

The market has also some draw backs as i) it some times supports under sale due to demand supply ratio. ii) Mostly medium quality fabrics come for sale and it therefore discourage skill up gradation and has become a major asset particularly to the nontraditional and semiskilled weavers of the district.

The market can be more effective, provided some inputs are provided for its advertisement, like bulk purchasers from big cities may be attracted, proper security is provided etc.

VI. Interfirm Industrial Organisation

Cluster Map: Enclosed as annexure-1.

Value Chain Analysis

Broad Composition

Cotton Sarees and dress materials are the main product in the cluster. The products are artistic in nature and equipped with various designs, which plays a main role in the value addition of the fabric. The

value chain analysis of principal variants of the products has been done to understand the difference of variants have in the process of production and thereafter marketing. These variants are mainly

- i) Single IKAT Sarees (Uses tie-dye mainly on weft)
- ii) Double IKAT Sarees (Both warp and weft constitutes Bandha)
- iii) Single IKAT Coarser Sarees (Without Anchal & Boarder) and
- iv) Dress materials

Broadly the value addition from raw material to finish product depends on addition of value due to number and intricacy of Bandha design, which takes more time for production and hence more wages. Study of the value addition at different stages of a production process reveals as follows:

Prime Cost		Fine		Coarse	
		Single IKAT Sarees	Double IKAT Sarees	Single Coarser (Without Anchal & Boarder)	IKAT Sarees
1		2	3	4	5
A-	Direct Raw Material	28%	23%	45%	45%
B-	Tie-Dye mfg Charges	18.5%	15.5%	7.5%	7.5%
C-	Processing Charges	5.5%	6%	12.5%	12.5%
D-	Wages	48%	55.5%	35%	35%
Prime Cost		100%	100%	100%	100%
Profit margin of Master Weavers/PWCS		5 – 12%	5 – 12%	5 – 12%	5 – 12%
Profit margin of Retailers		10-15%	10-15%	10-15%	10-15%

Value Chain Analysis

Given As Below

Pre Intervention

(Standard Single Ikat Cotton Sari)

Cotton Yarn: **Rs.220/-**

Preparation of Bandha Rs 75
 Cost of Dyeing operation = Rs. 40/- per sari
 {Not professionally done resulting in loss of Dyestuff}

Raw Material Cost
Rs 335

Over head Cost Per sari Rs. 5
 Wages per sari Rs 230.00

Prime Cost of a sari
Rs 570.00

Profit margin of Master weavers/traders (6%)

Sale price of Master Weaver **Rs 605**

Profit margin of Master weavers/traders (10%)

Final sale price, at retail customer **Rs 665.00**

(Standard Single Ikat Cotton Sari)

Cotton Yarn: **Rs.210/-** **Less 5 %**

Preparation of Bandha Rs 75
 Cost of Dyeing = Rs. 35/- per sari **Less 12 %**
 {Not professionally done resulting in loss of Dyestuff}

Raw Material Cost
Rs 320 **Less 5%**

Over head Cost Per sari Rs. 5
Wages per sari Rs 260.00 Higher 13 %
Value Addition Rs. 15.00

Prime Cost of a sari
Rs 600.00

Profit margin of Master weavers/traders (**8%**)

Sale price of Master Weaver **Rs 650.00** /traders (**12%**)

Final sale price, at retail customer **Rs 725.00**

VII. SWOT Analysis .

Strengths

Finance

1. The cluster has branches of all leading Banks and some active MFIs
2. Raw materials on credit are easily available.
3. A lot of Government supports are available particularly to the Co-Operative Institutions and SHGs.

Market

1. The cluster has a strong local market at Balijori about 10 kms from the district headquarter which seats on every Friday and bears special importance for marketing of local handloom products.
2. Baragarh the district head quarter and heart of the cluster also supports good marketing of local handloom cloths through number of sales outlets and local traders.
2. The main go down and most feasible sales outlets of Sambalpuri Bastralaya HLCS Ltd, is functioning at Baragarh.
3. A good percentage of the local inhabitants are the consumer of the cluster product.
4. Small orders can be complied because the fabrics are manufactured in short length.
5. Baragarh is well connected to major metros and other near by cities in and out of the state by road as well as train.

Production

1. The activities are simple; home based, operated with out power and need small investment.
2. The cluster has a rich tradition; it is one of the oldest and finest tie-dye manufacturing clusters in the country.
3. It has well known ethnic products having good demand at National level and unlimited scope for designing.
4. The designs are unique and can not be replicated in power loom weaving.
5. Short production cycle leave opportunity for frequent change in design.
6. Raw materials are easily and available in plenty because of the biggest raw material market in the State.

Weakness

Finance

1. Poor Credit history.
2. Lack of cash and bulk purchase of inputs in the cluster reduces the profit margin particularly of small weavers / tiny master weavers which lead them to become defaulter with their financier.
3. Weavers Co-Operative societies are not financially sound and much dependant on Govt. support.

Market

1. High cost of the fabrics sometimes compensated with quality to bring the cost low.
2. Lack of up to date market awareness.
3. Unhealthy competition among the traders/master weavers on price of the products.
4. Share in the National markets is poor. No reach in the International market.

Production

1. Limited product varieties.
2. Weavers are less inclined to product diversification.
3. Weaving process is time consuming with low productivity.
4. Looms are still traditional and little scope exists for improvement, as most of the products are traditional.
5. The State/neighboring areas do not have spinning units to cater the need of the cluster and Yarns are procured mostly from South States causing the supply relatively at a higher cost.
6. Qualitative Dyeing is lacking, as it is mostly decentralized in nature. Loose pack of dye stuffs are sold in plenty questioning it's quality.
7. The cluster have not accommodated some essential business servicing facilities like scientific testing of raw material / end products, equipment suppliers, CAD/CAM unit, adequate professional designers/dyers, common facility centers, I/T facilities etc.

Opportunity

Finance

1. Implementation of One Time Settlement Scheme by the State Government shall enable the Co-Operative structure to revive.
2. With the introduction of SHGs, capital flow from banking organizations/Government to the sector shall increase.
3. Possibility of revival of some co-operatives under new Self Help Co-operative Act.

Market.

1. Continuous and rising increase in the customer's choice for cotton fabrics across the globe.
2. Potential buyers are untapped.
3. Scope for participation in exhibitions and trade fairs.
4. Intervention can be made for Skill up gradation training on marketing, feed back on present market trend, colour forecast etc.
5. Government support to introduce dress code in educational institutions has opened a new avenue for better marketing of the local handloom products, as most of the institutions shall prefer to have these verities as their dress.
6. Scope for E-Marketing exists.

Production

1. Lot of scope for product diversification to produce furnishing, dress material, and other value added items.
2. Introduction of new technology like introduction of improved Dobby, CAD/CAM.
3. Scope for purchase of raw materials in bulk and adoption of best dyeing practice to reduce the cost of production.
4. Avenues are open for imparting training on dyeing/designing etc.
5. Setting up of common Facility Centers.

Threats

Finance

1. Low margins among the tiny entrepreneurs may affect sustainability.
2. High number of defaulters among individual weavers may debar them for refinance and financing institution shall also be reluctant for finance to individual weaver.
3. Weavers as well as the bankers have always an inclination to finance where there is provision of subsidies.

Market.

1. Production of the low cost and plain weaved materials like napkins, lungi, and dhoti are not feasible due to its high price structure in comparisons to such products from power loom units. Sometimes it holds good also for sarees because of the imitation of Tie-Dye designs on power loom products.
2. The main product of the cluster is Sarees and the main users of the product are local ladies. As the new generation substitutes dress and other Sarees in place of local Sarees, the local sales get affected.
3. Though qualitative the costs of the local handloom products are relatively higher in comparison to the similar products of the other clusters like Pochampalli, and Nuapatna (Orissa). As such similar products of the other clusters are encroaching its market.

Production

1. In the cluster, male members generally operate the looms and the new generations with the increase in literacy are not opting to accept weaving as their profession.
2. The biggest threat for production and the subsequent processes in the area is the fluctuating and continuous heavy rise in the yarn price. Observations on this have been illustrated earlier.
3. Low productivity may affect sustainability in long run.

VIII. Vision

“The Baragarh Handloom Cluster will achieve an annual business turn over of Rs. 18 crores, from the present level of Rs. 10 crores, by the year 2010. This will be achieved by establishing strong linkage with niche domestic and export market and diversification of products keeping the original tie & dye technique in tact.”

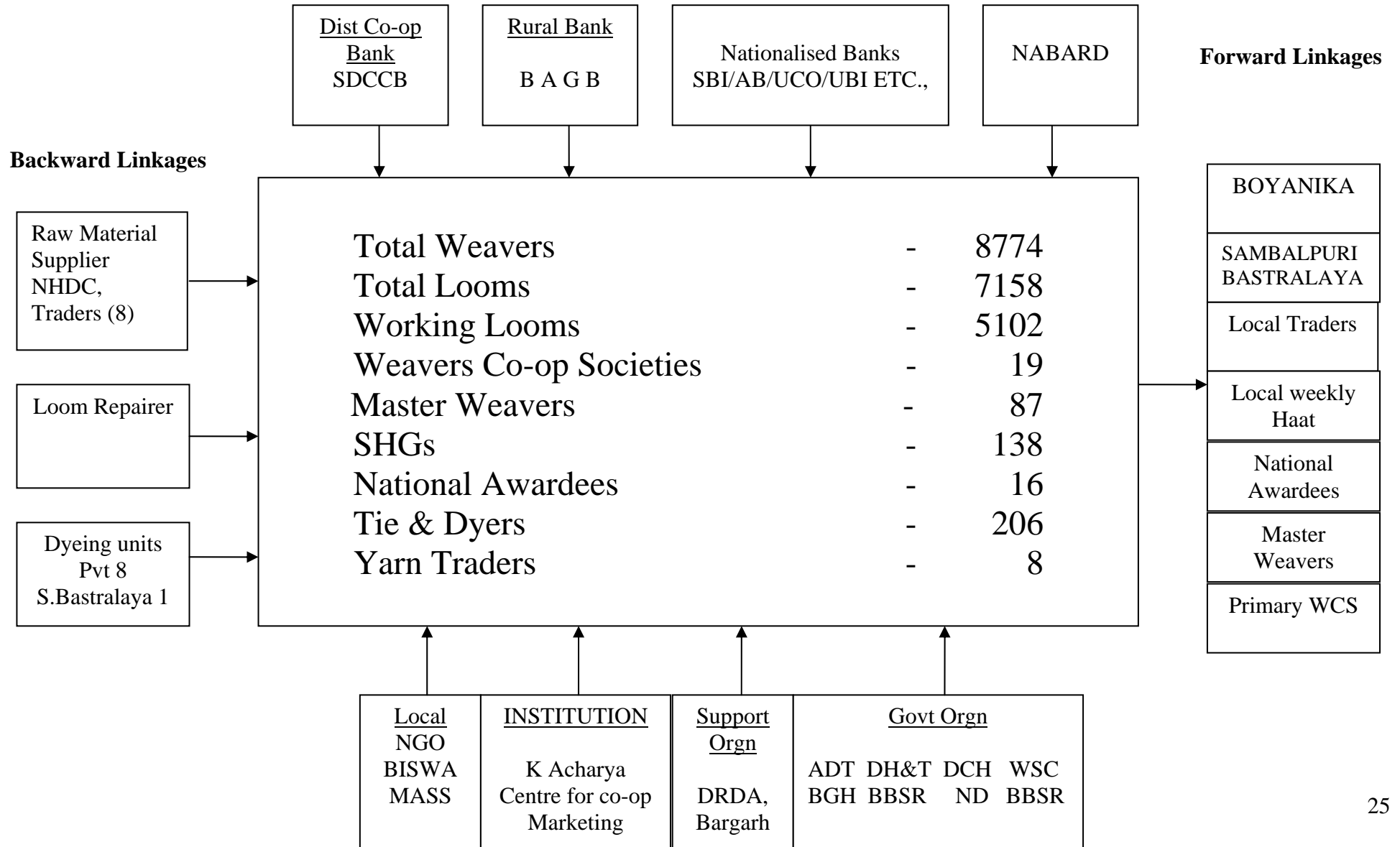
STRATEGY

To achieve the strong market base of the cluster, direct market linkages with big buyers has to be improved. For such markets, quality raw materials, design developments, good dyeing quality and diversification of products are needed. The following points will be adhered to for strategy implementation.

1. Establishment of Raw Material Bank
2. Building of consensus of co-operative institutions for procurement, production and marketing
3. Strengthening of the existing SHGs
4. Setting up of the warping m/c for warp preparation
5. Modernisation of existing dye house of Sambalpuri Bastralaya H L C S Ltd.
6. Engagement of dyer, designer for improving quality on dyeing, designing to suit niche market.
7. Input contribution (Training on weaving, dyeing and designing) for product diversification.
8. Skill Up Gradation on weaving in modernized looms.
9. Establishment of CAD / CAM centre.
10. Effective credit system through MFIs / Banks.
11. Linkages with corporate and buying houses
12. Establishment of common marketing outlets in metros.
13. Promotion of GI and protection of fake production by others (Through GI & Handloom Mark)

CLUSTER MAP (PRE – INTERVENTION)

Commercial Service Providers



**Institution Inter-linkage Matrix
(Pre-Intervention)**

	SME S	NHD C	BOY ANIK A	WSC	TC	IIT Chou dwar	NIF T	NI D	FIN . INST.	DRD A	DEP T. OF T&H	D. C. (H)
SMES		M	M	M	L	L	N	N	M	H	H	L
NHDC	M		H	M	M	M	N	N	L	N	H	M
BOYANIKA	M	M		M	M	M	L	L	M	L	H	M
WSC	M	M	M		M	L	L	L	L	N	H	H
TC	L	M	M	M		M	M	L	L	N	H	H
ITT Choudwar	L	M	M	L	M		M	L	L	N	M	L
NIFT	M	M	L	L	M	M		H	N	N	M	H
NID	M	M	L	L	L	L	M		N	N	M	H
FIN. INST.	M	L	M	L	L	L	M	M		H	M	M
DRDA	H	M	L	M	M	M	M	M	H		M	L
DEPT. OF T&H	H	H	H	H	H	M	M	M	M	M		H
DC. (H)	L	M	M	H	H	L	H	H	M	L	H	