

Diagnostic Study Report on Madhavaram Cluster

Submitted to

**Development Commissioner for Handlooms,
New Dehi**

By

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Executive Summary

Madhavaram, a well known brand in Andhra Pradesh for cotton sarees is facing marketing & financial problems due to obsolete technology & process. With more than 500 years of history behind and having 9986 weavers and 2275 looms the cluster could not achieve a national identity. With scope for development and having niche market potential the cluster has been covered under Integrated Handloom Cluster Development Programme.

The madhavaram Saree is at maturity stage of its product life cycle with competition from powerlooms and neighboring Venkatagiri sarees.

The main cluster actors are Weavers, Master Weavers and Cooperative Societies. Most of the cooperative societies are formed by Master Weavers to avail grants and subsidies and these benefits are not percolating to ordinary weaver.

Raw material availability at high cost and sizing done by weaver himself is affecting the business operations in adverse manner. The high Saline & fluorine content in water is not only affecting the dyeing process but also the health of the weaver.

Due to exploitation by cooperative societies and master weavers there is unevenness in value chain.

Linkage with bankers is poor and help of commercial service providers and NGOs is nil in the cluster.

With interventions in collective bargaining, direct marketing, common facility centres for Dyeing & designs the cluster may achieve the brand image and self sustainability.

1.0 INDUSTRY SCENARIO

The textile industry has been the backbone of Indian economy, in view of its significant contribution to GDP (4%), industrial output (14%), foreign exchange earnings (1/3rd of total foreign exchange) and employment (next to agriculture). In the global scenario of handlooms world capacity is 4.60 millions . India is in number one position which posses 3.90 millions (85% of total handlooms world capacity).

Cotton is the most important natural fibres, accounting for almost half of all textiles in the world. It is an excellent clothing material with huge variety of uses. Because it is so strong it can be made into fine, thin textiles, as well as hard-wearing fabrics like denim. Cotton is now the world's most important non-food crop covering five percent of the planet's cultivated land area. It is grown in more than 80 countries around the world. Cotton has been grown and used by people in many parts of the world for at least 5000 years. India is producing 312 millions of cotton yarn bales per annum. India account for about 12% of the world's production of textile fibres and yarn and second largest producer of silk and cellulose fibre and yarn and fifth largest producer of synthetic fire and yarn. Pieces of woven and dyed cloth dating back as far as 3000 BC have been found near the Indus river in India. For ancient Greeks and Romans, the muslins of the Ganges delta are were an exotic and expensive luxury. The Indian textiles is one of the oldest industry in the country, renowned for their fineness and captivating colours for ages beyond 5000 years have attracted connoisseurs from all parts of the world. The handloom industry is second largest provider of employment after agriculture and it is estimated that it provides employment to 124 lakh persons working on 39 lakh looms. The share of the handlooms has around 20 percent of the total cloth production in the country.

Handloom weavers have been capable of producing cloth as per demand and designs required from time to time since the British India. Britain's first links with India came about through trading cotton and other goods. In the seventeenth century, the East India Company began bringing cloth from West India, shawls and silks from Kashmir, spices from the East Indies and Ceylon and sugar from Bengal. In return India brought metals, novelties and ivory. Visitors to India were impressed by the sophistication and skill of it crafts people, by the range of products and by the way in which manufacturing was organized and controlled by the State. Indian cloth were so

popular that they transformed European fashion. When the British occupied the India their trade was to sell finished cotton goods. They found a readily available market in India, as it is a huge country with large number of people. However in process they have realized that the handloom industry in India is one of the finest world. There fore they systematically destroyed the local based industry, disposed the people, cut the fingers of hand loom weavers, levied excess taxes have done their best to destroy the Indian Handloom Industry.

In addition to this rewards were given to those Indians who adopted westernization and the British fashions. Over period of time this combination had severe impact to the handloom industry and resulted in series set back and loss to the handloom industry. Since the handloom weavers have been facing tremendous depression and problems. They lost their market, wages and they were systematically obscured, humiliated and disposed.

During this time Mahatma Gandhi who was leading the Independent movement, he realized that India and Indian industry have to survive a different approach for development must be adopted. This approach must be village based and takeup village industries development. To stress on this point he initiated steps to create awareness among the people he started Swadeshi movement. The swadeshi movement encourage the people to buy the home made Indian products introduced khadi and khadi made a popular cloth when fighting for independence.

After independence the Indian Government started Khadi and Village Industries Commission to develop Village Industries especially for the spinning and weaving industries in rural areas. After few decades the Indian cloth industry was modernized and systematic disposement and discouragement of handloom industries was prevailing. Since the handloom industry has been facing serious problems. It resulted in the poor weavers the Government initiated few steps like supply of yarn at subsidized price, retail selling outlets for weavers co-operative societies, project package scheme, handloom development centre, Integrated Handloom Village Development scheme etc., all over the country.

Government policy:

New Textile policy has been framed to give direction and focus on strategic thrust areas. Some of important objectives are:

Facilitate the Textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing.

Develop a strong multi-fibre base product up gradation and diversification.

Sustain and strengthen the traditional knowledge, skills and capabilities of weavers and craftspeople.

Make Information Technology, an integral part of the entire value chain of textile production and thereby facilitate the industry to achieve international standards in terms of quality, design and marketing.

Involve and ensure the active co-operation and partnership of the State and Central governments, Financial Institutions, Entrepreneurs, Farmers and Non Governmental Organizations in the development of the textile industry.

Strengthen and encourage the handloom industry to produce value added products and assist it to forge joint ventures to secure global markets.

Facilitate the growth and strengthen HRD Institutions like NIFT on innovative lines.

Some of the Programs launched during the last few years:

Project package Scheme: This will provide working capital, training for up gradation of artisans skills and showroom cum godown (marketing).

Deen Dayal Hathkargh protshan Yojana: This will support and assist for training the weavers any new techniques of weaving and total gamut of handloom activities.

Health Package Scheme: This will assist for the treatment of professional diseases.

Integrated Handloom Village Development Scheme: This scheme enable to provide common facility centers, training, purchase of new looms, housing etc.,

Handloom Development Centre: This scheme provide Quality dyeing unit and Training to the weavers.

Bunakar Insurance Scheme: This scheme is for the weavers.

Economic research and Market Intelligence Unit: To organize the collection and dissemination of information for the benefit of all for effective planning and strategy to overcome the competition in the international market.

Nodal Centre for Upgradation of Textile Education (NCUTE): This is engaged in mapping the present textile education scenario at various levels of human resource requirement, identifying the quantitative and qualitative gaps and well prepare an action plan supported by the required information to fill these gaps based on sector wise felt needs.

National Centre for Textile Design (NCTD): This center has been set up with website to provide colour and trend forecasts, designs, motifs and database of different kinds of handloom weavers, designers, exporters, machine suppliers etc.,

National Centre for Design and product Development for Handicrafts: This Centre caters to the design and technology related needs of the handicrafts sector and provide the services of reputed national and international design experts to the small scale and cottage handicraft industry to enable them to compete in the world market.

HANDLOOM INDUSTRY IN ANDHRA PRADESH

Andhra Pradesh is renowned for its fine range of silk, brocade and cottons each having a very special identity that sets it apart.

As a weaver 's nimble fingers lovingly play over the looms, rare artistry begins to unfold. Like a symphony composed by a skilled musician, the fabric woven has its known exquisite harmony. In Andhra Pradesh there are over 2.75 lakh functioning handlooms in the state and it is providing livelihood to around 5 lakh families including

dyer, sizers, warp winders, tool makers etc. The State Government has taken several steps for the overall development of handloom industry. Some of few are.

Photo identity cards issued to handloom weavers for providing development schemes / services directly to weavers.

Establishment of houses and work sheds to weavers.

Pensions for aged weavers.

Health insurance for the each weaver family members upto four numbers & upto Rs.15000/- per year.

Artisan credit cards loan up to Rs.200000/-.

Special enforcement wing to look after handloom resurvation.

Apparel parks for development of marketing local and abroad.

Madhavaram Cluster

“Gadapa” Popularly known as Kadapa is a renowned Place for Temples, Foreteller, Poets, Forts, and Arts –Artists –Artisans. It is “Gadapa” ledoor step (or) First Step to Tirumala hills to have darshan of Lord Venkateswara. Madhavaram is one among the Well –Known Villaged in Kadapa District. Madhavaram was actually situated on the banks of Penna River, which also surrounded by hillocks. Madhavaram and other villagers surrounded by it were actually situated in the remote area to which there was no proper road link, Rail link, communication, but consequent on the construction of Somasila reservoir on the banks of Penna River at Somasila the Madhavaram and other villagers surrounded by it in undated in the back waters of the reservoir which forced the weavers to flee the villages and settled at new places. As a rehabilitation on and settlement package the Government of Andhra Pradesh has provided new House sites and other facilities on the National High way – 18 in between Bakhrapeta and Ontimitta, just 20 Km from Kadapa Town. All weaver families who were living in Erstwhile Madhavaram Villages were settled at Madhavaram, Upparapalli, Kondamachu pally, Kotha Madhavaram ect, for which village wise details are furnished here under.

S No	Name of the Sub Cluster	Total population	SC	ST	Weavers	others
1	Madhavaram	5411	580	38	3410	1383
2	Upparapalli	1554	71	60	1354	69
3	Madhavaram 1,2,3	1057	18	12	907	120
4	K Madhavaram	4288	288	--	3502	498
5	Kondamachu Palli	903	--	--	813	90
		13213	957	110	9986	2160

It is obvious that Madhavaram Cluster is having 2500 Weaver households who are solely dependent on handloom industry for their socio - economic up-liftment. Besides handloom weavers numbering 2500 working on looms other population numbering 5000 are extending supportive works in firm of suppliers of dyes, cotton yarn, silk yarn, zari, accessories, warping, street sizing etc.

It is also fact that few co-operative societies are working in which only 472 enrolled as active members. There are Ten Master weavers who are working in the Cluster under whom Twenty to Thirty weavers are working. Apart from them one NGO by name Mandala Chenetha Karmika sangam has been working in which nearly forty weavers are working. In this Cluster the following Supportive – works attended to in each area.

Supportive Work:

It is necessary to mention that the Madhavaram area is not only the Cluster in Kadapa District but there are number for of Clusters where weavers artisan living in good number for the last few decades and eking out their lively hood, Purely on handloom weaving. Area –wise Cluster with data are furnished below.

S No	Name of the Sub Cluster	Distanc from Kadappa	No. of looms Co-op	No. of looms others	Total
1	Jammalamadugu	70	1159	2591	3500
2	Mallavaram	78	553	3224	3777
3	Simhadri Puram	100	190	260	450
4	Proddatur	46	1453	3760	5213
5	Khazipeta	19	721	259	980
6	Pullampeta	46	250	700	950
		359	4326	10794	14870

NOTE: This figures are as per previous census out 10 years back, at present the Nearly 2500 weavers in Madhavaram Cluster.

The following are the varieties being produced in the Madhavaram Cluster and other areas.

1. Cotton & Cotton Plain Sarees.
2. Cotton & Cotton Jacquard Pallu Sarees.
3. Cotton & Gas Cotton Doria Jacquard Pallu Sarees.
4. Cotton & Gas Cotton Doria Buta Jacquard Pallu Sarees.
5. Cotton & Gas Cotton Buta rich Pallu Sarees.
6. Cotton & Silk Buta rich Pallu Sarees.
7. Cotton & Silk Buta Body Kalanjali rich Pallu Sarees.
8. Cotton & Silk Missama Gadi rich Pallu Sarees.
9. Silk & Silk Buta Border kalanjali rich pallu Sarees.

Marketing:

The Weavers of the Cluster have been producing Rs.200 lacks Worth Sarees under co-operative sector and Rs.500 lacks worth Sarees under Master weavers. But there is no support from National (or) International Marketing agencies for Marketing of the Madhavaram Products. Only State agency has been purchasing to the extent of 40% of production under Co-Operative sector where as the Master weaves have their own capacity and Marketing capability to sell their product on their own. But the Master weavers and individuals managing co-operatives have been selling their products purely basing on the experience – skill they have gained & earned from their ancestors without adopting modern marketing techniques.

Though there is scope and hope for marketing of Madhavaram Sarees internationally as the export promotion council at chennai has come forward to register the Co-Operative Society and extend marketing assistance there is no takes in their Cluster.

Dyes and Chemicals:

It is obvious that there is no centralized (or) organized agency for supply of dyes and Chemicals required for producing the Sarees of Madhavaram. On search it is found that the weavers have been selecting the dyed yarn already available in the market in accordance with the requirement. Some times the weavers have been placing orders with the yarn Merchants about the particular color of yarn required, purchasing and utilizing. Alike the weavers who require silk yarn are also placing their order for a particular color of silk yarn with the local Merchant who in turn visiting Bangalore where he purchases silk yarn in white, orders for dyeing of silk yarn in colors required, and executing the order at local market. All these practices are going on for the last few decades. So centralized agency (or) bank is required for dyeing and supply of dyes and chemicals. There are also visiting Chirala Cluster for purchase of required cotton dyed and sized warps for quality product.

Poverty:

It is observed that as per 2001 censuses 30% weavers in Madhavaram Cluster area are under BPL and 70% above are in APL. But as per Professional analysis the weavers who are in supportive activities viz dyes, accessories producers, warping, sizing are reeling under poverty as they are purely depending on the works to be provided by master weavers, Co-Operatives, individual weavers but they have no definite income (or) guaranteed employment. So there is need to provide guaranteed employment to the supportive workers under common approach. Alike weavers of the old age are also reeling under poverty, as they have no guaranteed employment, as they could not able to do skilled work. So there is need to provide suitable employment to these type of weavers also.

Competitive factors:-

On survey it is found that there is no reliable competition from power loom sector in this Cluster area and still weavers are running on looms only. But due to change of market trend every day and also from neighboring venkatagiri area where also weavers producing similar type of Sarees there is heavy competition. If the Cluster area is equipped with new designing techniques, new pattern in production there is possibility to with stand the competition.

2.0 HISTORICAL EVOLUTION OF THE CLUSTER

Madhavaram Cluster Comprises nearly Seven or Nine Villages which actually weaver dominated. Situated on the banks of penna river prior to settlement at the existing site Madhavaram has nearly Five centuries history, this proved that One sankeerathana charya has wrote one reference in his keertans. It is also evident that Bhavana Rishi who was the creator of weaver artisan and artistry belongs to the weaver community the Rishi who propagated the purity and sanctity among the weaver community and Established Vishnaviti type of culture among them and also in all day-to-day needs and deeds. It is found historically that Madhavaram area weavers who were actually living in remote villages on the banks of Penna River to which there was no conveyance and communication except bullock carts have excelled in producing out skilled and quality Sarees in those days and marketed.

On searching questions it is found that the Erstwhile weavers have produced 60sX60s Petu Sarees in 6 yads which were meant for wearing and Bride during wedding. To give purity and sanctity to the Saree the weavers have brought "Modugu Puvvu" from near by forests, used it for getting reddish color border to the saree. Since the flower is a vegetable one the weavers of that age have used vegetable colors which was Eco-friendly. They have also produced 60sx60s count Sarees and Dhoty, which are in separable, meant for bride and bridegroom in a single warp called Madhuparkams exclusively for wedding purposes. History also tells us that the weavers of Erstwhile Madhavaram have also Produced 6 yads Sarees in the name

Malle Mogga

Gundupetu

Allepetu

Oreku anchu

Also provide that the weaver artisans of the Erstwhile Cluster have also produced "Turbans"(Tala pages) on "Throw Shuttle loom" on which to weaver artisan used to work at a time artistically and these " Turban" (Tala Pagas) Meant for Bridegrooms.

History of Commerce

Though un-connected by Rail, Road, and situated in adverse geographical conditions the weavers of the Erstwhile Madhavram Cluster have brought their goods by bullock carts to the nearest link, Marketed their products in Orissa, Maharashtra, Karnataka, Old Hyderabad at the Brand name "Madhavram Zari Petu Sarees" and earned brand for their Sarees on their own. Living at remote villages they have also brought raw material required in abundance and also loom accessories without compromising the quality and quantity.

Present Madhavaram Cluster

Consequent on resettlement and rehabilitation package the weaver artisan of the Erstwhile Cluster have simulated on the side of National High way-18 and continued their production, Profession and Culture. Though named after old Villages Viz Madhavram, Upparapalli, Kondamachu Palli and Parvarthi Puram etc., the weavers of these villages have also carried their Tradition, Profession, Skill, artisanship and culture along with them, which they have inherited from their ancestors. Data of each village is furnished here under.

S No	Name of the Sub Cluster	No. of looms	Weavers	Total Population
1	Madhavaram	877	3410	5411
2	Upparapalli	325	1354	1554
3	Madhavaram 1,2,3	236	907	1057
4	K Madhavaram	650	3502	4288
5	Kondamachu Palli	187	813	903
		2275	9986	13213

The weavers of the Madhavaram Cluster are now producing 100s X 120s Zari Sarees of latest Model besides New patterned Sarees

3.0 SKETCH OF MICRO, SMALL & MEDIUM ENTERPRISES

MICRO ENTERPRISES: -

It is obvious that Madhavaram Cluster area is having Micro enterprises, which are working in supportive of the handloom industry and playing pivotal role. The following is sketch of the enterprises.

S No	Name of the village	Yarn Merchants	Dyeing units	Zari Trader	Master weaver	Warping units	Sizing unit
1	Madhavaram	1	2	2	1	4	--
2	Upparapalli	--	1	1	2	4	--
3	Madhavaram 1,2,3	3	4	--	3	2	--
4	K Madhavaram	3	4	--	3	4	2
5	Kondamachu Palli	--	1	--	2	1	3
		7	12	3	11	15	5

MASTER WEAVERS & DYERS PARTICULARS

S.NO	NAME/FIRM & ADDRESS	CAPACITY PER MONTH	DYEING	ESTABLISHED YEAR
1	Bodicherla Krishnaiah & Bros, Madhavaram, 1,2,3.	650 Sarees	Own	1965
2	K.C.Narayana, Kotha Madhavaram.	450 Sarees	Own	1984
3	T.Anjineyulu, Uppara Palli.	600 Sarees	Mangalagiri	1992
4	Meruva.Janaki Ramaiah, UpparaPalli.	350 Sarees	Own	2001
5	Sri.Sai Iashwaraiah Hand loom, Upparapalli.	700 Sarees	Boina palli	2004
6	Lakshmi Narasimha Yarn dyeing works. K.Madhaavaram	6 Bales	Own	1981
7	Choppa.Subbanna, Madhavaram 1,2,3.	5 Bales	Own	1996
8	Kanaka Durga Yarn Company, Madhavaram, 1,2,3.	25 Bales	Own	1992

CO-OPERATIVES: -

A statement showing the number of co-operative institutions working in Madhavaram Cluster area together with particulars of production, sales , profit and loss particulars of each primary society is appended.

S No	Description	SKR WCS Madhavaram	Sabhapathi KM Palli	Upparapalli WCS	Madhavaram WCS	Berepalli WCS
1	Regn No.	CDPH 35	CDPH 24	923	388	939
2	Date	5.2.1980	31.5.1973	24.6.1957	28.5.1943	24.5.1956
3	Functioning	17.2.1980	10.6.1973	24.6.1957	28.5.1943	30.1.1956
4	Regd looms	83	78	85	130	68
5	Work looms	75	76	85	54	35
6	Cash Credit	3.88	5.62	11.61	2.20	1.56
7	Prod n 03-04	21.31	31.09	84.13	19.06	1.55
8	Prod n 04-05	43.87	53.02	89.12	58.04	9.84
9	Prod n 05-06	57.54	39.07	--	48.44	24.11
10	Sales 03-04	21.12	33.33	89.06	18.34	1.15
11	Sales 04-05	45.44	51.31	92.70	59.77	10.30
12	Sales 05-06	59.44	35.63	92.70	42.53	11.89
13	Stock 03-04	4.19	1.21	4.45	3.86	--
14	Stock 04-05	1.15	3.47	3.66	3.36	--
15	Stock 05-06	1.56	6.91	3.66	10.7	--
16	RM P 03-04	13.47	17.04	53.17	7.65	0.57
17	RM P 04-05	21.71	27.23	52.68	34.03	5.80
18	RM P 05-06	29.75	21.33	52.68	22.62	12.16
19	Wages 03-04	10.91	13.95	41.30	9.63	--
20	Wages 04-05	23.94	24.26	43.29	27.99	--
21	Wages 05-06	29.68	18.17	--	23.35	--
22	GProfit03-04	1.60	1.34	2.71	--	--
23	GProfit04-05	2.64	0.54	2.46	--	--
24	GProfit05-06	3.32	0.09	2.46	--	--
25	NProfit03-04	0.01	0.09	0.06	--	- 1.43
26	NProfit04-05	0.32	0.04	0.07	--	- 0.46
27	NProfit05-06	0.15	0.05	0.07	--	0.12

SELF HELP GROUPS: -

It is observed that no self-help group formed exclusively for weavers is functioning but "DWCRA" groups of women weavers formed are functioning. But these "DWCRA" groups functioning is not up-to- expectation and not active.

NGOs

On search it is found that one Non Governmental Organization registered under Societies Registration Act of 1964 and also Registered as NGO under Foreign Constitution (Regulation) Act 1976 – U/S-6(1) (9) has been working honestly and perfectly under the name Mandala Chenetha Karmika Sangam . The Sangam has earned name as very good performing organization in the area. As the organization has perfectly working the Council For advancement of People Action and Rural Technology (CAPART) has executed earth works, excavation works, technology training programs, adult Education programs, free health camps, drought relief programs, Awareness camps campaign against AIDS & Vitamin 'A' distribution to this NGO which the organization has successfull conducted all programs which actually benefited larger weaver segment.

Sri. Jonnadula Srinivasulu, President has opined that

- 1) There must be change (or) switch over to new loom technology from old one & awareness campaign (or) training to change the mindset of weavers from the commerciality to commitment & quality.
- 2) Master weavers should not be involved in the cluster program but services can be utilized to the extent required.
- 3) Existing co-operative societies should be strengthened.
- 4) NGO services should be utilized.
- 5) Selection of knowledgeable and committed weavers for effective implementation of program and involvement.
- 6) All weavers artisans shall be made members of the existing co-operative societies and NGO so that the weaver will be at right to demand share in prosperity through society.
- 7) Enrolling of weavers members in co-operative society will automatically enhance righteousness among them and the member will start demanding every thing.
- 8) When member stands demanding every thing automatically program implementation will become easier as the member felt that they get justice, work as right.
- 9) Member of a society will get wages as per demand and have a right to demand all benefits also.

Since the NGO has also become Income tax assese, registered under GST/CST etc, maintained good accounts system, perfect record for all the works done by the central government and other foreign organization have been extending financial help to under take more works the NGO may be included in the program of Cluster development with active participation.

INSTITUTAION: -

It is obvious that weavers service center, NIFT, DRDA have been extending a little (or) negligible institutional support except conducting training camps for imparting training in dyes, designing etc, now and then but there is no continuous & unhindered institutional support to the weavers in the Cluster. Though there is Indian institute of Handloom technology at Venkatagiri which is just 100 km away from Madhavaram it is not at all helpful (or) use full to the Cluster weavers. It is also fact that Handloom export Promotion Council now at Chennai is also not helpful for export of Cluster Products.

BANKING: -

It is observed that Rayalaseema Grameena Bank and State Bank Of India have established their branches for extending helping hand financially to the Cluster weavers but due to high defaulters there is low lending at present. It is also fact that the DCCB, Kadapa which has to extended financial help to weavers through co-operative societies is in the fore front by providing financial help. Details of the financial assistance extended by Banking institutions are also furnished here under.

S No	Institution	Persons Benefitted	Amount in lacs
1	R.G.B 2004-05	314	84.32
2	R.G.B 2005-06	35	8.74
3	S.B.I. Bhakara peta	292	36.00
4	D.C.C.B, Kadapa.	-	24.87
5	Upparapalli –WCS-Ltd	-	11.61
6	SabhaPathi-WCS – Ltd	-	5.62
7	Kodandarama-WCS-Ltd	-	3.88
8	Madhavaram-WCS-Ltd	-	2.20
9	Berepalli-WCS-Ltd	-	1.56

4.0 ANALYSIS OF BUSINESS OPERATION

MARKETING: -

Madhavaram Cluster area consists of eight Villages in which five Co-operative weavers societies, ten master weavers are working in this Cluster area with 2300 active handlooms. 325 looms are in co-operative sector and remaining 1950 are under master weavers. Generally the practice prevailing in the area is supply of dyed cotton / silk yarn, zari etc is being done by the master weavers directly. Wages being paid basically by the master weavers based upon their skill.

PRODUCT: -

Madhavaram zari petu Saree was the original branded product of the Cluster, which was made by using 60sX60s count in olden days. Nearly four varieties of Sarees viz Malle mogga, allepetu, oreku anchu & gundupetu were produced and marketed through out Andhra Pradesh, Orissa, Maharashtra, Karnataka Later on the weavers have switched over to production of 100X100 zari fancy Sarees to suit the market trend and sustain in the market. Though master weavers and co-operatives have marketing their products for the last few decades they have not ventured to export their product in spite of feasibility.

TECHNOLOGY UP-GRADATION: -

The skill and artisanship of the weavers was inherited from generation to generation and the same is being applied. Because of this ancestral inherited technology there was no growth. Though there were efforts for technology up-gradation i.e. from pit-loom to frame loom the weavers acceptability in this effort was very poor, as they have not made up their mind set.

COMMUNICATION TECHNOLOGY: -

The Cluster weavers though resided in remote areas in olden days have earned good branded name for their product in spite of in advertent conditions. Now resided on the side of National Highway -18 that too enroute to Hyderabad – Kadapa-Tirupathi-Chennai the weavers of the Cluster have not developed their mindset to acquire

technological revolution to improve marketability of the product. New design with computer technology has not been used in spite of availability.

CONSUMER AWARENESS: -

The consumers of the above mentioned four states are aware of the Madhavaram product but they feel that there must be new designing in Sarees, cost effectiveness, New pattern & finer count Sarees.

SOURCE FOR RAW MATERIAL: -

The weavers are badly in need of silk/cotton yarn, zari in good quality, dyes and chemicals, material for warping, sizing, and loom accessories but all these are not locally available. The weavers have been getting all the above material from outside to meet demand in silk yarn in selected colors from Bangalore. It is found that the weavers of the Cluster were also visiting Chirala where cotton dyed yarn in the shape of required sized warp at the affordable prices available to produce quality product. The weavers of the Cluster are looking at Bangalore, Chirala, Proddatur & Dharmavaram for dyed yarn because the water in this Cluster is saline and not use full for dyeing purposes.

FINANCIAL SOURCES: -

It is a fact that the co-operative weavers societies in the area are being financed by DCC Bank, Grameena Bank, SBI etc. Whereas master weavers having enough finance. No other institutional finance is available to individual weaver.

MARKETABILITY: -

The weavers in this cluster area are not directly involved in marketing the Sarees but the master weavers and co-operatives are directly involved in the marketing of the products but they are adopting old traditional tactics because of which there is no gainful-beneficial margin. The master weavers and co-operative also facing sometimes adverse market condition leading to increase in inventory levels.

5.0 VALUE CHAIN ANALYSIS

Grey Yarn (Hank)




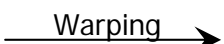
Scouring - Boiling water containing
Caustic soda and soap
Oil, rinsing and squeezing

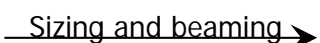
Cleaned Yarn (Hank)


Dyeing - Dyestuff & Chemicals
Boiling Squeezing, drying

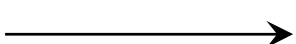
Dyed Yarn (Hank)  Market

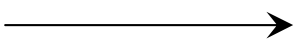
Hank Dyed Yarn  Yarn reeled on
Bobbins / Dabbas
Done by family
Members

Yarn Reeled  yarn on Bobbins can be warped (Asu)
warping machine
Done by proffeciners
Rs. 50.00 for warping of
6 Sarees done by warping
Unit.

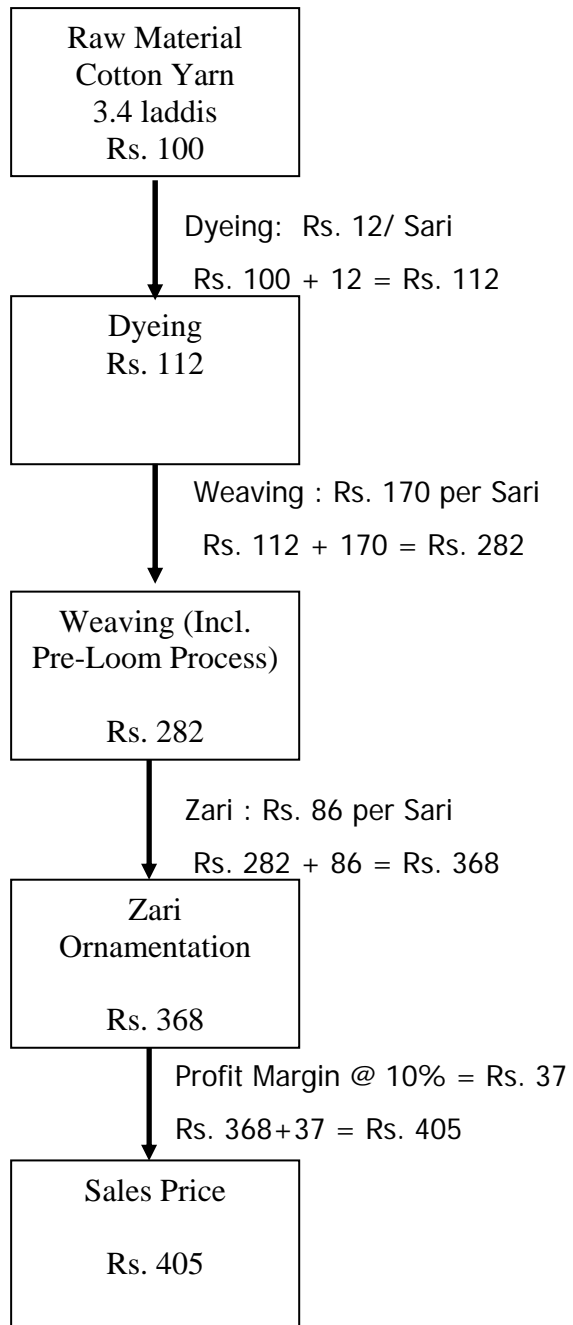
Warp  Warp can be sized ready to beam & Weave
Done by family Members

Ready to  Sarees

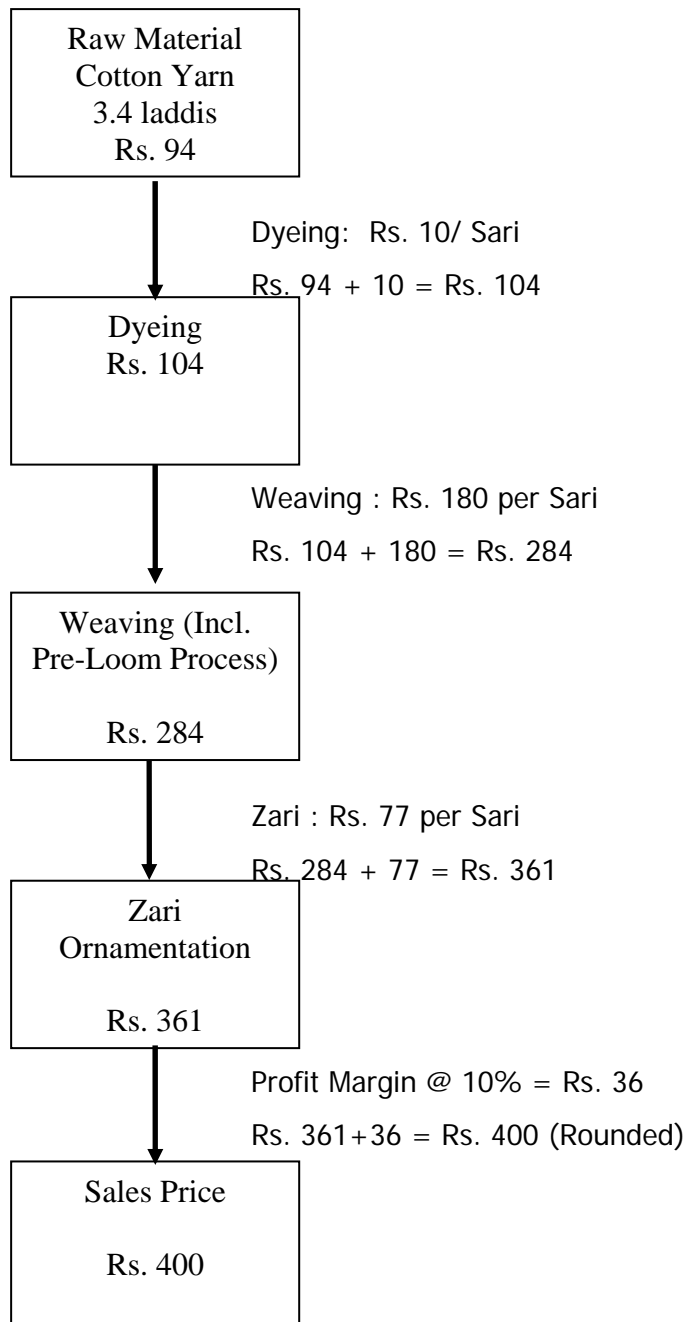
Weaving  Done by Weavers

 With Ornamentations like Petu, Buta, Pallu
work.

**Value Chain Analysis of Zari Cotton Sari
(Pre-Intervention)**



**Value Chain Analysis of Zari Cotton Sari
(Post-Intervention)**



Process	Raw Material	Quantity	Value in Rs.	Utility cost	Labour	Total in Rs.	Value addition in Rs. Per 1/2 bale	Value per ladi
Hank yarn boiled in caustic soda & soap oil solution, squeezed rinsed squeezed dyeing squeezing drying	Hank Yarn	1/2 bale	14,500					
	Caustic Soda	2.5	110					
	Hydros,	2.5	225					
	Alum	3.50	42					
	Soap oil,	5.00 lit	45					
	Acid	1.20 lit	12					
	Dye Medium	--	1005.00					
	Total			200	140	16279	1779	32.56
Contribution of dyes and chemicals - 1439 / 1779 -- 80.9%								
Contribution of Dye - 1005 /1779 -- 56.5%								
Contribution of chemicals - 434 / 1779 -- 24.4%								
Contribution of utility - 200 / 1779 -- 11.2x								
Contribution of labour - 140 / 1779 -- 7.8 x								
Dyed Hank is reeled onto bobbins or Dabbas (Warp) on a hand operated reeling machine. This work is done by women and other members of the family or labour	Dyed Hank Cotton	2.0 1.3 1 saree	20x3.00 6.00	35.56x20		71.12		35.56
Warping is done on a warping drum (ASM)	Reeled yarn Rs.15.00 for 5 Sarees	Equalent to 2.0 ladi	15.00 - 5x2	37.06		74.12		37.06
Starch ingrediants are applied on the warp to give strength to yarn. This is done manually by wever family or profficiniers	Warp Rs.15.00 for	Equalent to 20 ladi	37.06			74.12		37.06
Beam is loaded on to loom per ready weaving.	Beam - 20 x37.06 Weft - 1.3x32.56	Equalent to 2.0 ladi Equalent to 1.3 ladi	74.12 2.32 116.44		171.42	287.86	213.74	87.23

Csot of 100s yarn - Rs. 1450.00 / Bundle					
Value of the laddi Rs. 29.00 at Hank yarn stage rised to Rs. 287.86. Onece it is converted to Saree, various contributors at every stage is as follows.					
S.No.	Laddi at Various Stage	Value of Laddi in respective stage	Value additions in Rs. laddi and process	Value of processed laddi in Rs.	Percentage increase in value
1	Hank yarn	29.00	3.06/Dyeing	32.56	10.9
2	Dyed yarn	32.56	3.00/Reeling	35.56	9.2
3	Reeled yarn	35.56	1.50/Warping	37.06	4.2
4	Warping	37.06	0/Sizing	37.06	-
5	Beaming	37.06	5017/Beaming	87.23	135.37

1) Scouring:- Grey yarn has to be scoured in boiled water and then to be squeezed.

2) Dyeing: - Squeezed scoured yarn has to be dyed with dyestuff and chemicals, which has to be washed, squeezed, and dried. Then the cost of the dyeing has to be added at 11% on the cost of the Grey yarn for each laddi. If the material on above functions are done at competitive rates the cost of the dyeing may be less.

3) Reeling: - since the reeling of the dyed yarn is being done by the family members on bobbins or dabbas for warping. There is no labour cost or wages involved.

4) Warping: - Warping is being done on warper drum or ahasu by the professional with low cost.

5) Sizing: - Since the sizing is being done by individual weaver members they are not getting good quality of sizing. If the same is done by the professionals the weaver may get good quality sizing for easy weaving.

6) Weaving: - Though the Consumption of weft yarn is less then warp yarn the wages being paid to the weaver is on high side. Unless by diversify the product to other means it may not be permit to more wages.

S.No.	Particulars	Wages in Rs.	Warp in Laddis	Weft in Laddis	Jari in gms
1	Cotton / cotton Plain 90 L	114.82	1.75	1.40	43.00
2	Cotton / cotton Plain Jq Pallu 130L	171.43	2.90	1.40	86.00
3	Cotton/Cotton doria L.Pallu 60LT/s	214.28	2.15	1.10	90.00
4	Cotton / Gas Cotton Butta L Pallu 60 LO/s	225.00	2.15	1.10	95.00
5	Cotton / Gas Cotton Butta L Pallu 60 LD/s 1X1	270.00	2.70	1.30	114.00
6	Cotton/Gas cotton Butta contrast R.pallu patna 60 Ld/s 1X1	375.00	2.70	1.30	144.00
7	Cotton/silk contrast R.Pallu patna 60 Ld/s 1X1	400.00	2.90	150 gms	144.00
8	Missamma gadi C/S R.Pallu patna 60 LD/S 1X1	514.28	2.85	172 gms	240.00
9	Mrethe meena C/S R.P. Patna 60 LD/S 1X1	614.28	2.85	172 gms	275.00
10	Beat Kalanjali S/Solk R.P.Patna 60 LD/S 1X1	800.00	337 gms		240 gms

Inter.-firm Industrial Organisation

ANALYSIS OF LINKAGES

PRODUCT LINKAGE –

This cluster which was originally situated on the Banks of Penna river nearly fifty years back has no rail-road-communication. That is why there was no proper – perfect Marketing development. Consequent of resettlement and rehabilitation of settlers on the side of National High way – which is on the Hyderabad-Kadapa-Tirupathi-Chennai, the cluster is now the most advantageous position for improvement of Marketability of their products. As it just 20 kms, away from Kadapa town where Department of Handlooms and Textiles and APCO are available the Master Weavers and Cooperative Societies representatives may enhance the marketability of the product by seeking assistance from these two Institutions. There weaver Representatives may also in advantageous position as there is good cloth market in Kadapa and Proddatur towns and may sell their product for proper guidance in designing, up-gradation in weaving Technology and on all other aspects the representatives representing weaving community may also approach and seek guidance from the Indian Institute of Handloom technology at Venkatagiri, which is just 100 kms. Away. For changing in design etc., they may also have tie-up with weaver service center at Hyderabad and Vijayawada for up-gradation in designing to meet the day-to-day market trend. For producing export oriented fabrics they must have tie-up with the export promotion council at Chennai which is just 200 kms. away.

GOVERNMENTAL AND NON-GOVERNMENTAL ASSOCIATION

It is obvious that one weaver service center at Hyderabad, Vijayawada, Chennai which are equipped with mechanism for extending all assistance in all aspects are available which can be utilized. There is also one Indian Institute of Handlooms Technology available, which is imparting training in handlooms industry which services can be utilized.

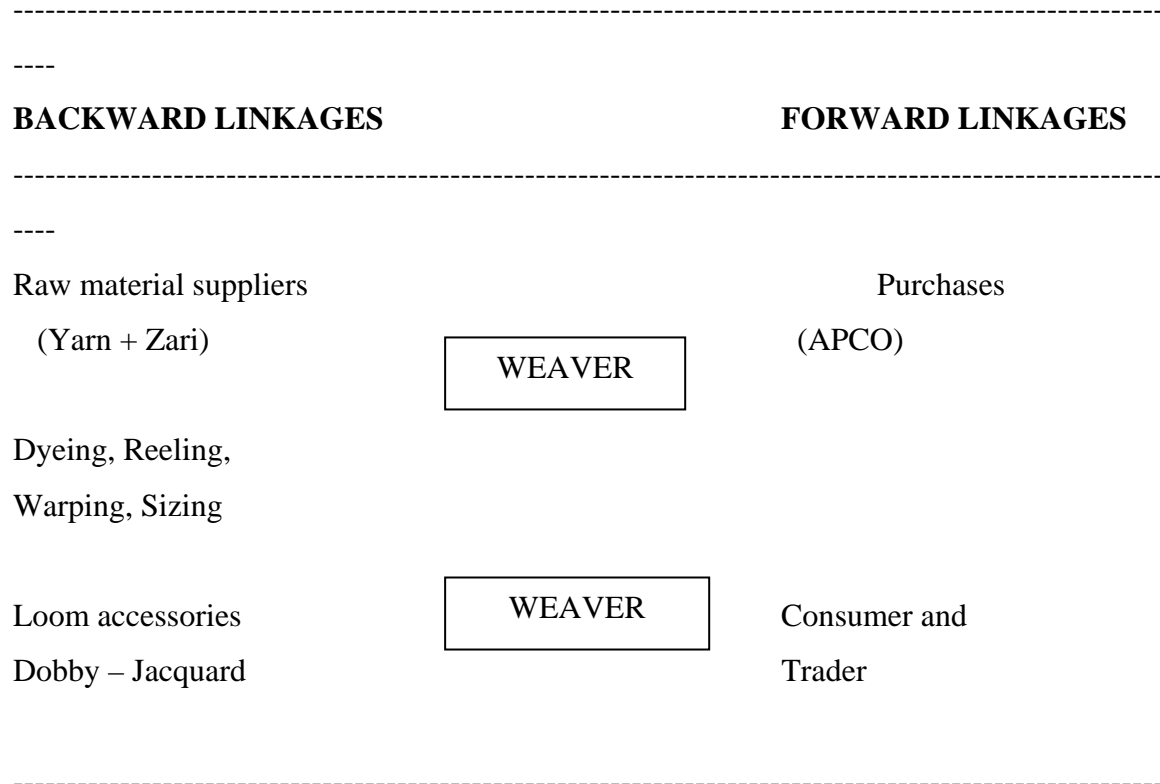
It is further stated that one Non-Government Organization by name Mandala Chenetha Karmika Sangham has been working and also has undertaken several programmes for the welfare of the Weavers Community like Training in Weaving, dyeing

etc. The services of this organization can be utilized for cluster programme implementation and imparting training to weavers.

PARTICIPATION BY AGENCIES

It is obvious that Master Weavers and Cooperative Organisations have not established any training centers for imparting training to weaver in designing, dyeing, sizing, warping but they have been using skills already available and inherited from ancestors. Since there is no agency undertaking such activities, the Master Weavers, Co-operatives other interested weavers may be encouraged for up-gration skill in designing, weaving dyeing etc., by utilizing the services of Indian Institute of Handloom Technology, Export promotion council, Weavers Service Centers, D.R.D.A., Professionals etc.

LINKAGES



6. SWOT ANALYSIS OF MADHAVARAM CLUSTER

Every industry whether it is Big (or) Small (or) Medium has its strengths, weaknesses, Potentialities and threats from all aspects. It must analyse the same in a perspective way to overcome them to withstand market compete ability.

STRENGTHS: -

(1) MARKET: -

- 1) Proximity to Metropolitan – quasi Metropolitan cities through National High Way which facilitates direct transportation.
- 2) The Madhavaram Cluster is a Five Centuries old, which Established Traditional roots among the Rural and Urban women
- 3) Good potential for these Madhavaram branded Sarees in domestic and abroad.
- 4) Madhavaram Cluster weavers have good skill and artisanship to capture niche Market.

(2) Financial Sources: -

- 1) Depended purely on raising their Internal financial resources.
- 2) Grameena Bank and State Bank of India have established their branches and extending Financial help.
- 3) Central and State Department of Handloom & Textiles and other Non-Governmental Organizations have also extending Financial help.

(3) PRODUCTION CAPACITIES: -

- 1) having good handloom concentration
- 2) Madhavaram Sarees branded as Madhavaram Zari Petu Sarees have Traditional and Cultural roots.
- 3) All the actors of Backward linkage are available within the cluster.
- 4) Adapted to change their Skill to suit Modern Market condition by producing skilled artisanship Sarees.

(B)WEAKNESES: -

(A) MARKET: -

- 1) No collective efforts related to marketing..
- 2) Efforts were not made to capture International Market even though the cluster is located nearest to Chennai.
- 3) Internal competition for Marketing of Goods lead differentiation in prices.
- 4) No efforts were made to add value to Madhavaram branded product.
- 5) Though efforts were made for new design development, but it is only individual basis.

(B) FINANCIAL:-

- 1) Low profit margin due to lack of collective bargaining.
- 2) Bankers and financial institutional wary of extending financial help.
- 3) Intermediaries entered into the industry with high rate of interest and luring the weavers and making them to look at their mercy.
- 4) Lack of collective purchase of raw material leading to high cost of production.

(C) PRODUCTION: -

- 1) Using traditional and outdated pit looms.
- 2) Product quality is not up-to- market expectations.
- 3) Low productivity leading to low wage earning of weaver.
- 4) Because of installation of loom in a pit, during rainy season water oozes into the pits forcing the weavers to abandon the work.
- 5) Lack of out side exposure.
- 6) There is no application of information technology, modern management techniques for marketing the product, designing etc.

OPPORTUNITIES: -**(A) MARKET: -**

- 1) Existence of National Highway for easy marketability of the product.
- 2) Weavers of this Cluster will be at the advantage to market their product provided.

- (A) There is common approach for selling the product.
- (B) There is effort to explore possibility for exporting the product where telugus concentrated.
- (C) There is effort to tap the untapped target in other market areas.
- (D) There is up-gradation of market management and imparting training in new techniques of marketing.
- (E) There is effort to impart training in new designing and new patterns in product production.
- (F) There is effort to get new packing, brand name and common branding, packing etc, to suit the modern market taste.

(B) FINANCE: -

- 1) Financed may be available form voluntary Organizations, Small-scale enterprise development organizations, rural artisan development organization which are existing within the cluster. .
- 2) If the weavers of the Cluster are financed by the institutions like NABARD – Grameena Banks – Khadi & Village Commission at cheaper interest rates, with subsidy for purchase of accessories etc, it will strengthens their growth.

(C) PRODUCTION: -

- 1) A common bank for yarn, dyes and chemicals, silk yarn, zari may be provided for quality up-gradation.
- 2) There must be rational idea for establishing raw Bank and that rational is to supply raw material at affordable price.
- 3) Quality up gradation may leads to easy marketability.

(D) THREATS: -**(1) MARKET: -**

- 1) Exploitation by master weavers reducing the wage earning of ordinary weaver.
- 2) Co-operatives may also create hurdles in implementation.
- 3) Master weavers may withdraw from market forcing weavers to become work-less.
- 4) competition from power loom sector is active.
- 5) If new markets are un-explored systematically there will be glut in the market ability of product.

(2) FINANCE: -

- 1) Non-proactive nature of local bankers. .
- 2) Control of finance by Co – Operatives.
- 3) Exploitation of suppliers who are sole suppliers of yarn, dyes & chemicals, silk and zari.

(3) PRODUCTION: -

- 1) If failed to implement effective management system of the day may also pose problem for marketability of products.
- 2) Lack of private – public partnership is must.
- 3) There is a false notion that cotton zari Sarees are costlier and not affordable.

7. VISION

“Madhavaram Handloom Sarees will be evolved as a preferred option of the higher end consumers by focusing on quality, value addition and continuous employment to weavers with emphasis on wage enhancement. This will be achieved through constantly applying backward and forward linkages by the year 2010”.

8. Implementation Strategy

Awareness meetings will be organized in all pockets of the Madhavaram cluster to impress upon the commitment of the programme to the weavers and seek their support for implementation.

Formation of **Self Help Groups** among the private weavers will be initiated with the support of the DRDA, NGOs and the local master weavers working in the cluster. With proper training Self Help Groups will be encouraged to make their own products for sales in newer markets. Financial linkages with banks will be made for their efficient functioning.

Formation of **Consortiums** will be discussed among the master weavers, dyers, yarn dealers, traders for their own benefit and to improve the wages of the weavers among the value chain.

Formation of **Cluster Development Coordination Committee (CDCC)** among the stake holders will be formed to effectively involve them in the implementation of the cluster level activities.

The **Integrated Handloom Cluster Development Programme will be launched** among the stake holders to bring over all commitment for the implementation.

Feasibility study will be conducted on Establishing the **Raw Material Bank** and preparation of project report for the benefit of the weavers and master weavers of the cluster.

Exposure visits will be organized to the best performing handloom clusters to induce the trust among the weaver leaders and other stake holders who can make changes easily during the implementation of the programme.

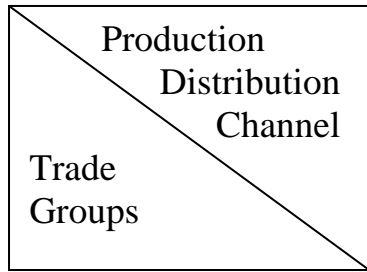
Training Programmes on skill up gradation on designing, dyeing will be organized continuously to the selected and interested weavers and dyers with a focus on value addition and cost reduction.

Feasibility study on setting up of the **Common Facility Centres** to bring in all the activities which can be shared among the stake holders and project will be prepared and submitted for the effective utilization of the services.

Feasibility study on probable **loom upgradation** will be carried out and experimented. The successful study will be implemented to more looms for improving the productivity.

Market study on the use of handloom sarees among the elite class will be carried out in different target cities to understand the consumer preferences. Samples will be produced continuously on the market demands, displayed in the respective markets by organizing smaller exhibitions and organized sales before venturing into large scale productions.

Participation in the handloom exhibitions in all the important cities will be made to make the weavers dynamic to adapt to the market forces.



CLUSTER VALUE CHAIN ANALYSIS (Pre – Intervention)

CHANNEL -1
Weavers producing
Individual selling

CHANNEL - 2
Weavers producing for
Domestic market

CHANNEL - 3
Weavers producing for
...

CHANNEL - 4
Weavers producing for
Co-operative

Marketing

Local Market

Outside the Madhavaram

Exhibitions & Fairs

APCO

Trading

Small Master Weaver
Sales – 7.15 crores

Master Weaver
Sales – 3.85 crores

Traders

Co-operative
Sales – 2.20 crores

Weaving

WEAVERS
Weavers – 2275
Production – 11.00 crores

SMALL Master WEAVERS
No. - 40
Looms – 1000
Production – 5.50 crores

MASTER WEAVER
No. of M.W. 11
Looms – 660
Production – 3.50 crores

Co-operative Primary
No. – 5
Looms – 325
Production – 2.00 crores

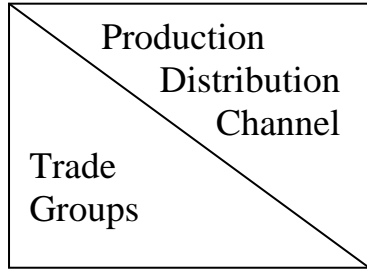
Tiny Weaver
& NGO - 290

Traders

Yarn Supply

Support Organizations and
Service providers

Weavers Service Center	NIFT	Handloom Dept of State Government	Co-Operative Banks	Banks	APCO	NABARD	HEPC	
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CLUSTER VALUE CHAIN ANALYSIS (Post – Intervention)

CHANNEL –1
Weavers producing
Individual selling

CHANNEL – 2
Weavers producing for
Domestic market

CHANNEL – 3
Weavers producing for
...

CHANNEL – 4
Weavers producing for
Co-operative

Marketing

Local Market

Outside the Madhavaram

Exhibitions & Fairs

APCO

Trading

Small Master Weaver
Sales – 7.15 crores

Master Weaver
Sales – 3.85 crores

Traders

Co-operative
Sales – 2.20 crores

Weaving

WEAVERS
Weavers – 2400
Production – 12.00 crores

SMALL Master WEAVERS
No. - 40
Looms – 1015
Production – 5.25 crores

MASTER WEAVER
No. of M.W. 11
Looms – 660
Production – 3.25 crores

Co-operative Primary
No. – 5
Looms - 325
Production - 2.00 crores

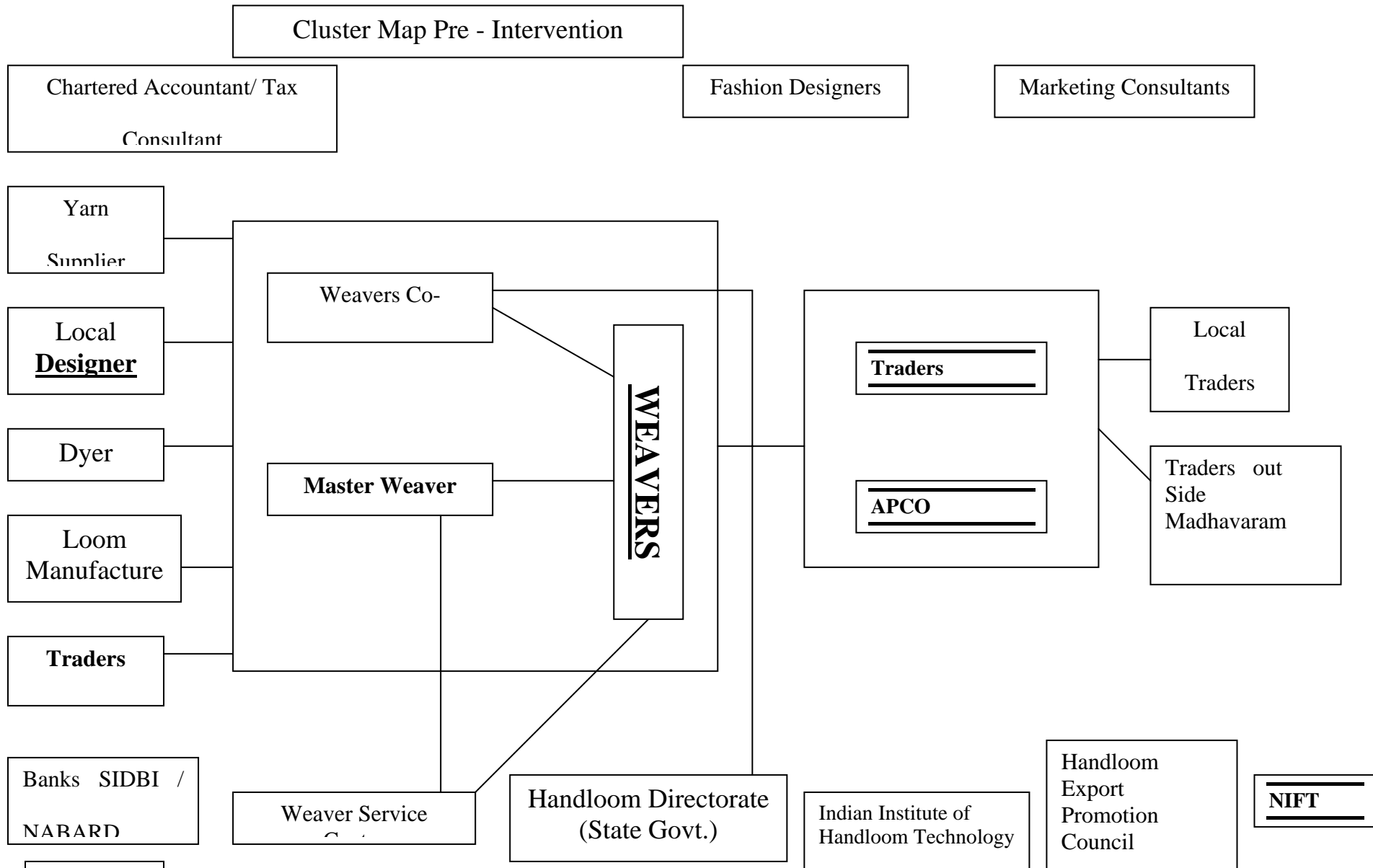
Tiny Weaver
& NGO – 400 (1.5 cr)

Traders

Yarn Supply

Weavers Service	NIFT	Handloom Dept of State Government	Co-Operative Banks	Banks	APCO	NABARD	HEPC
-----------------	------	-----------------------------------	--------------------	-------	------	--------	------

Support Organizations and Service providers



Cluster Map Post - Intervention

Chartered Accountant/ Tax
Consultant

Fashion Designers

Marketing Consultants

Yarn
Supplier

Yarn
Bank

A S S O C I A T I O N

Local
Designer

Weavers Co-

Dyer

Dye
House

Master Weaver

Loom
Manufacture

WEAVERS

Traders

Traders
APCO

Local
Traders

Traders out
Side
Madhavaram

Market
Out Let
at
Kadappa

Banks SIDBI /
NABARD

Weaver Service

Handloom Directorate
(State Govt.)

IIHT

Handloom
Export
Promotion
Council

NIFT

NGO

CLUSTER MAP

10.0 DRAFT ACTION PLAN FOR DEVELOPMENT OF MADHAVARAM HANDLOOM CLUSTER

COMPLEMENTARY ACTIVITIES

S No	Name of the Activity to be organised	Value Addition Raw Material Mgmt Process / Marketing	Problems perceived in the cluster which led to formulation of complementary activity	No. of cluster actors (weaver) involved	Stake holders / Agencies (Please specify)	Venue (also Specify the pocket covered)	Commencement and completion date	Expected outcome (will it be immediate in nature or may supplement other core activities)	Long term impact expected	Budget Allocation / Requirement (Rs. In lakhs)			Follow up required after the completion of the activity
										Assn / support organisation	IHCDP funds	Total	
TRUST BUILDING ACTIVITIES													
1	Formation of CDCC	Trust Building	Lack of involvement of the stake holders	--	Collector, Lead Bank, Nabard, Master weaver, AD, WSC, Assn	Madhavaram	July 06	Involvement of stake holders	Involvement of stake holders	--	0.25	0.25	Quarterly meetings to guide the course of action
2	Awareness & Sensitisation Programme	Trust Building	Lack of Knowledge on Textile Industry Scenario	2275	Master weavers, Dyers, yarn dealers etc.,	All 5 pockets of Madhavaram	July to Aug 06	Confidence and commitment	Support for programme	--	0.5	0.5	Identifying the key leaders in weavers for further programmes
3	Programme Launch Workshop	Trust Building	Programme Inauguration with stake holders	2275	DCH NRA,IA DH Collector And other stake holders	Madhavaram	Sep 06	Inducing confidence & commitment to all stake holders	Cooperation in scheme implementation	--	1.0	1.0	Developing rapport with all the stake holders

S No	Name of the Activity to be organised	Value Addition Raw Material Mgmt Process / Marketing	Problems perceived in the cluster which led to formulation of complementary activity	No. of cluster actors (weaver) involved	Stake holders / Agencies (Please specify)	Venue (also Specify the pocket covered)	Commencement and completion date	Expected outcome (will it be immediate in nature or may supplement other core activities)	Long term impact expected	Budget Allocation / Requirement (Rs. In lakhs)			Follow up required after the completion of the activity
										Assn / support organisation	IHCDP funds	Total	
4	3 Exposure Visit to successful clusters / Textstyles India Fair, New Delhi	Trust Building	Lack of Innovation and Designs To know best practices	100 weavers and about 5 other stakeholders (15 per batch)	CDE NGO NABARD AD	Chirala, Kadappa Chanderi, New Delhi Trivendrum	Oct. 06 To Feb 07	Change of mind set to go for value additions in designs etc.,	Weavers switch over to value added varieties	0.3	2.7	3.0	Trust Building with leaders in the cluster for continuous support of the programme
PRODUCTION RELATED STUDIES													
5	Survey on number of handlooms working in the cluster	To plan cluster activities effectively	Lack of correct information No. of looms	2275	TC	All the sub clusters	Aug To Sep 06	To know the actual status of looms for effective planning of other activities	To reduce cost in preparatory	--	1.5	1.5	To effectively plan the size of the yarn depot and the CFC
6	Study on increasing the length of warp in warping and street warp sizing	Cost reduction and saving time during weaving	Frequent change of warp	Warping and sizing and weaving people of about 40 in numbers 2 batch	CDE / WSC	All warping & sizing centres in the cluster	Sep 06	Increase in length of warpan d sizing improvement	To reduce cost in preparatory	--	1.0	1.0	To increase the no. of looms by providing the required accessories

S No	Name of the Activity to be organised	Value Addition Raw Material Mgmt Process / Marketing	Problems perceived in the cluster which led to formulation of complementary activity	No. of cluster actors (weaver) involved	Stake holders / Agencies (Please specify)	Venue (also Specify the pocket covered)	Commencement and completion date	Expected outcome (will it be immediate in nature or may supplement other core activities)	Long term impact expected	Budget Allocation / Requirement (Rs. In lakhs)			Follow up required after the completion of the activity
										Assn / support organisation	IHCDP funds	Total	
7	Study on loom up gradation of raised pit looms	Improve productivity	Low Quality & productivity	20 weavers	WSC Local Loom makers	All sub clusters	Jan to Feb 07	Improvement in productivity	Increase in wage earnings	--	1.5	1.5	To increase the no. of looms by providing the required accessories
INFRASTRUCTURE & MANAGEMENT RELATED STUDIES													
8	Feasibility Study on sustainable RM &CFC needs of the cluster and preparation of projects for effective implementation	To facilitate easy working of the handloom industry	No approved dyer. No yarn dealer	To benefit all the 2275 weavers	Project Experts	All sub clusters	sep 06 to Nov 06	To facilitate effective functioning of handloom industry	Smooth & sustainable distribution of raw materials	--	3.0	3.0	Formation of the SPV and implementation of the CFC
MARKET RELATED ACTIVITIES													
9	Study on HL saree and dress materials of higher end market in metro cities	To add value to products	No innovation & diversification in products	--	TC MR	Higher end market in Metro cities	Feb to Mar 07	To go for innovated value added products	Market demand variety prodn	--	4.0	4.0	To go for portal & for customized production of handloom items

10.0 DRAFT ACTION PLAN FOR DEVELOPMENT OF MADHAVARAM HANDLOOM CLUSTER

CORE ACTIVITIES

S No	Name of the Activity to be organised	Value Addition Raw Material Mgmt Process / Marketing	Problems perceived in the cluster which led to formulation of core activity	No. of cluster actors (weaver) involved	Stake holders / Agencies (Please specify)	Venue (also Specify the pocket covered)	Commencement and completion date	Expected outcome (will it be immediate in nature or may supplement other core activities)	Long term impact expected	Budget Allocation / Requirement (Rs. In lakhs)			Follow up required after the completion of the activity
										Assn / support organisation	IHCDP funds	Total	
SKILL UP GRADATION WORKSHOP AND TRAINING													
1	Workshop on Textile Designs	Improvement in designs	Lack of innovation in designs	10 weavers +30 young designers	Freelance Designers WSC	Madhavaram	Nov 06	To identify the local talent for further training	Designers for the cluster	0.1	0.4	0.5	Identifying talent for working in the cluster and students encouraged for designs
2	Weaving on Jacquard looms	Value added products	Lack of improved weaving methods	20	WSC	Madhavaram	April to May 07	Change of value added variety	Higher wage Earning	0.5	2.5	3.0	Successful weavers will be provided Jacquard looms and given market linkage for production

S No	Name of the Activity to be organised	Value Addition Raw Material Mgmt Process / Marketing	Problems perceived in the cluster which led to formulation of core activity	No. of cluster actors (weaver) involved	Stake holders / Agencies (Please specify)	Venue (also Specify the pocket covered)	Commencement and completion date	Expected outcome (will it be immediate in nature or may supplement other core activities)	Long term impact expected	Budget Allocation / Requirement (Rs. In lakhs)			Follow up required after the completion of the activity
										Assn / support organisation	IHCDP funds	Total	
3	Workshop on Product diversification	Material and processing	Lack of value addition in products	10+20	Weavers	Madhavaram	April to May 07	Sample Products made for test market	New value added production	0.2	0.8	1.0	New product developments for special markets
FORMATION OF CONSORTIUMS & SHGs													
4	Formation of Consortiums among the Cooperatives, Master Weavers and SHGs	To approach scale economies	Lack of collective efforts	11 MW, 5 societies	Master weavers & societies separately	All sub clusters	Oct 06	Consortium registrations	Collective efficiency	--	0.1	0.1	Marketing linkages with Textile show rooms, chain stores made
5	Formation of SHGs for making value added embroidery	To produce new value products	Lack of product diversification	10 to 20	NGOs/ SHGs	All sub clusters	Oct 06	SHGs	Production of value added garments	--	0.1	0.1	Identify the talent and send for Intensive training
INFRASTRUCTURE DEVELOPMENT													
6	Formation of CFC and Registration of SPV as a sec 25 company	To provide infrastructure for common use	No approved dyer. No yarn dealer	To benefit all the 2500 weavers	BIM	All sub clusters	April to Jun 07	To facilitate effective functioning of handloom industry	Smooth & sustainable distribution raw material	--	0.5	0.5	Formation of the SPV and implementation of the CFC

S No	Name of the Activity to be organised	Value Addition Raw Material Mgmt Process / Marketing	Problems perceived in the cluster which led to formulation of core activity	No. of cluster actors (weaver) involved	Stake holders / Agencies (Please specify)	Venue (also Specify the pocket covered)	Commencement and completion date	Expected outcome (will it be immediate in nature or may supplement other core activities)	Long term impact expected	Budget Allocation / Requirement (Rs. In lakhs)			Follow up required after the completion of the activity
										Assn / support organisation	IHCDP funds	Total	
SKILL UPGRADATION TRAINING													
7	Workshop on Textile Designs	Improvement in designs	Lack of innovation in designs	10 weavers +30 young designers	Freelance Designers WSC	Madhavaram	Nov 06	To identify the local talent for further training	Designers for the cluster	0.1	0.4	0.5	Identifying talent for working in the cluster and students encouraged for designs
8	Weaving on Jacquard looms	Value added products	Lack of improved weaving methods	20	WSC	Madhavaram	April to May 07	Change of value added variety	Higher wage Earning	0.5	2.5	3.0	Successful weavers provided Jacquard looms and market linkage
9	Workshop on Product diversification	Material and processing	Lack of value addition in products	10+20	Weavers	Madhavaram	April to May 07	Sample Products made for test market	New value added production	0.2	0.8	1.0	New product developments for special markets
PARTICIPATION IN EXHIBITIONS													
10	Participation in Exhibitions	Marketing	No collective marketing efforts	20	SHGs	Hyderabad, Vijayawada, Vizag	Nov to June 07	Collective marketing	Higher profit	0.2	0.8	1.0	To explore participation in other cities