

Case study on
Dhamtari Handloom Cluster

Dhamtari District, Chhattisgarh

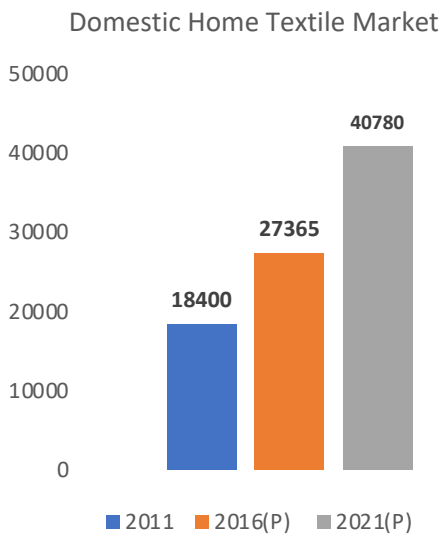


Foundation for Development of
Rural Value Chains (FDRVC)

India Handloom's Potential

The exports of the Indian handloom products are valued at **US\$ 343.69 million** in 2018-19 making India the **second largest exporter** of such products in the world. In last five years, India has exported over US\$ 1.8 billion worth of handloom products. **Over 125 countries globally purchase handloom products** from India. Imports on the other hand are estimated at around US\$ 10.8million in 2017-18. Production of hand-woven fabric from India constitutes 95 per cent of global production

Indian Home Textiles Market Growing Modestly @ 8% CAGR – (figures in INR Cr)



Categories	2011	2016(P)	2021(P)	CAGR 2011-21
Bed Linen	8965	13170	19350	8%
Towels	3320	4840	7060	8%
Curtains	1850	2975	4790	10%
Blankets	1465	2040	2850	7%
Upholstery	1190	1915	3080	10%
Kitchen Linen	1110	1635	2400	8%
Rugs & Carpets	500	790	1250	10%
Total	18400	27365	40780	8%

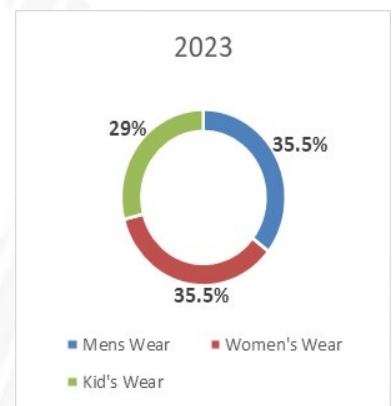
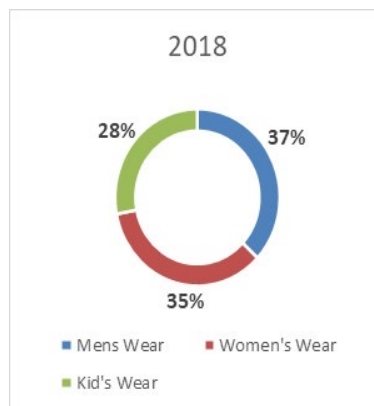
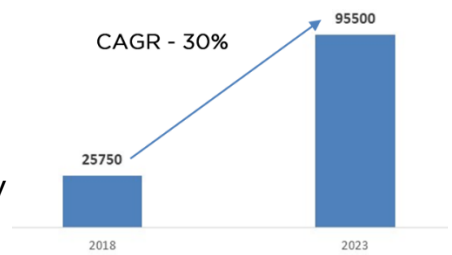
Apparel Consumption trend in India:

The Indian consumers and their apparel preferences are constantly changing. The apparel preferences which were deeply rooted to immensity and richness of Indian culture is now aligning itself to more refined and globally on-trend fashion. [\[1\]](#) [\[1\]](#)

Wazir Advisors

Source – Apparel Consumption Trends in India Report by

Projected Online Apparel Sales (In INR Crores)



About the Dhamtari Handloom

- Chhattisgarh occupies 17th place in the number of handlooms and 17th place in the number of workers engaged in this sector in the country. At present there are more than 18,000 handloom workers both within and outside cooperative fold in Chhattisgarh.
- The production of handloom is spread across all blocks of Dhamtari district; the major centers of production being- Kurud, Acchota, Bijnapuri, and Parkhanda
- Highest concentration of women weavers is across Dhamtari and Kurud blocks of the district.
- Most of the weavers are engaged on job-work basis working for orders from Apex Co-op in their own households.
- Weaving is done with the help of a shuttle loom. The process of plain weaving is governed by 3 movements – shedding, picking and beating. The shedding movement consists of pressing the treadle with one foot, which makes the opening in the warp thread.
- The details of the ancillary workers who provide critical support to weavers are listed below:
 - **Warpers:** This is an operation where the yarn is transferred from single packages to an even sheet representing hundreds of ends and then wound onto a warp beam
 - **Winders:** Winding process can be defined as the transfer of spinning yarn from one package to another large package (cone, spool, pirn, etc.). On the other hand, it can be defined as the transfer of yarn from ring bobbin, hanks etc. into a convenient form of package containing considerable long length of yarn.
 - Other **ancillary** workers: The tailoring (limited to finishing of bedsheet edges and making pillow covers) is being done by the respective PWCS- who outsource it to local tailors, before sending the finished product to Apex Coop.

Handloom Master Craftsperson in the State

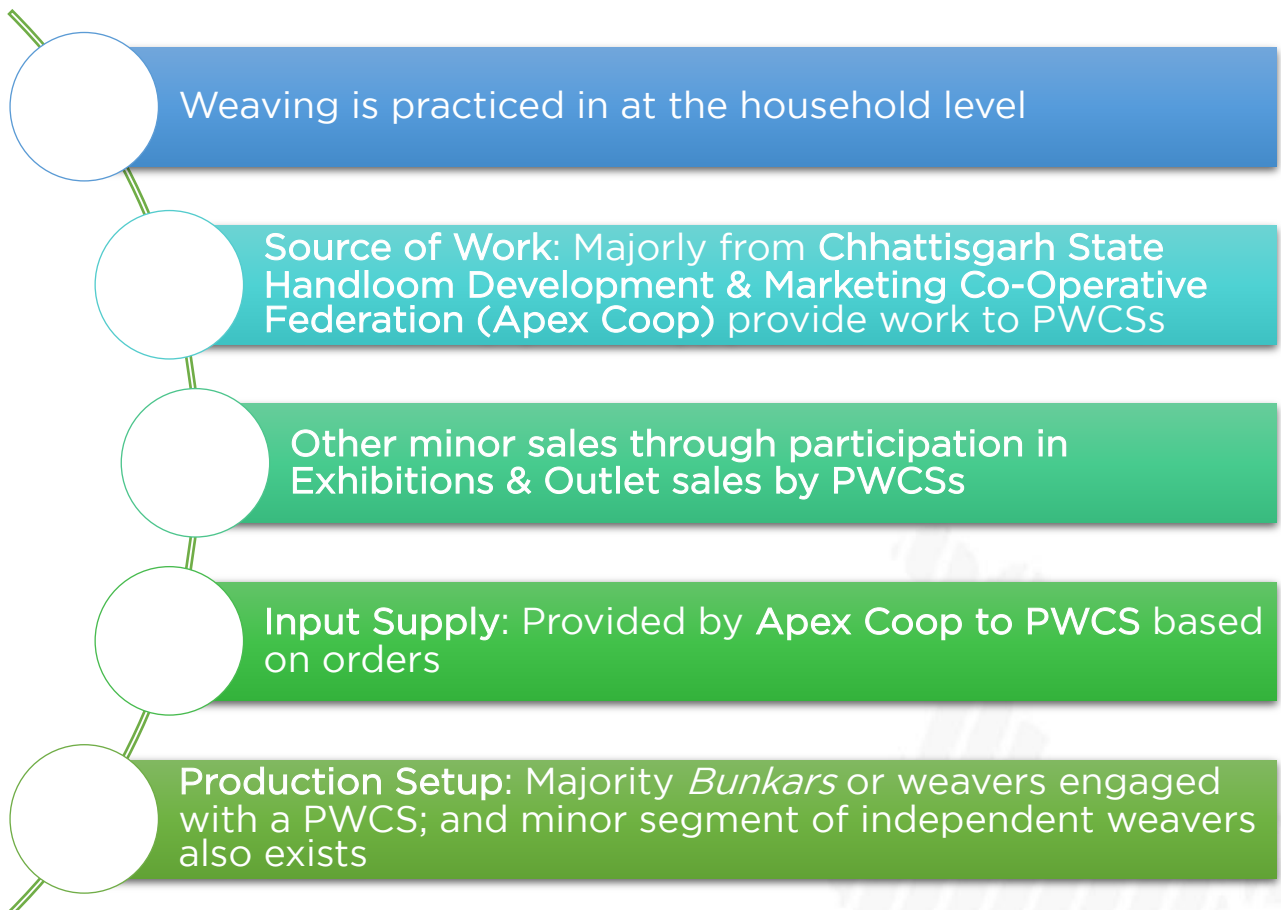
The selected location for project doesn't have any national awardee for handloom weaving. However, the following master craftsperson have been recognized as national awardees:

- Shri Nilambar Prasad Dewangan, Chapa (National Awardee -2002) – Kosa Saree
- Shri Nathuram Dewangan, Raigarh (State Awardee -2008) –Traditional Ferra Saree
- Shri Chandrika Prasad Dewangan, Raigarh (National Awardee -2007) – Tussar Silk Saree

Handloom in Bajag

- Geographical Spread: 2 Blocks- across 53 villages
- Artisans engagement: Est. 1100 households (HHs)
- Major Cluster Products: Hand-woven cotton products - Fabrics for School uniform, Fabrics for shirts or kurtas, Bed sheets, Handkerchief, and Other Dress Material
- Majority weavers are Devangans- traditional weaving community.
- Weavers from other communities have joined over the years
- Traditionally weaving has been male dominated.
- Women have taken up weaving to support family income
- High skilled weavers; however, over the years skill levels have declined due to focus in low-value products such as plain uniform fabric, etc.
- Male weavers have better skill levels due to their exposure of working over the years.

Key Processes



Current handloom products – Dhamtari Handloom Cluster



Varieties of Handloom Bedsheet and Yardage



Cone

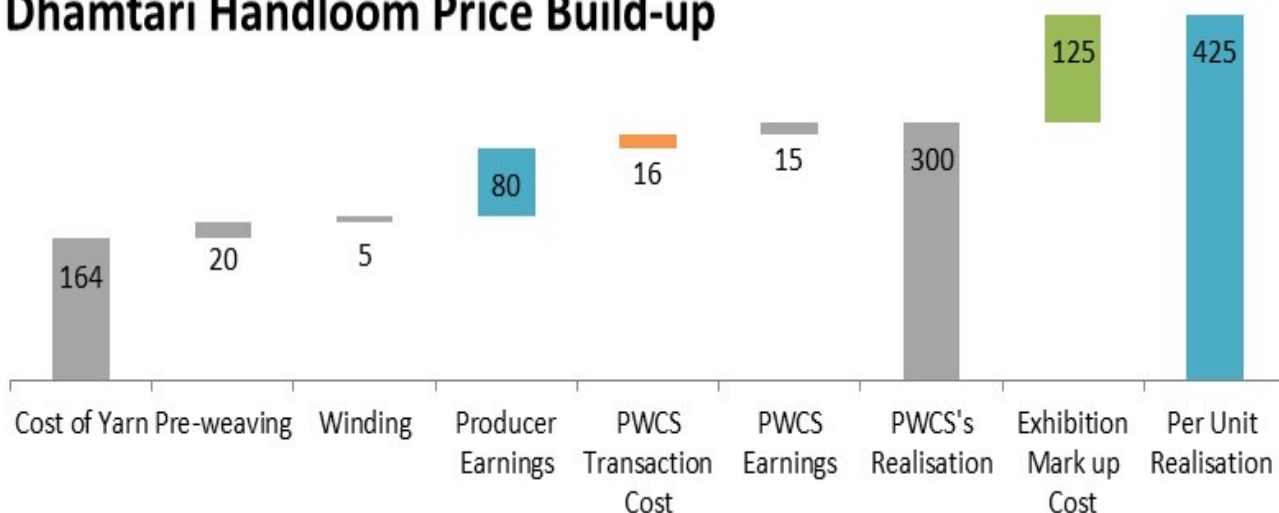


Women weaver

Value Chain of Dhamtari Handloom Cluster

The below figure illustrates the current price build up for a Handloom Bedsheet which is a major product currently being produced.

Dhamtari Handloom Price Build-up



The price-build up in existing hand loom value chain from the cluster is as under: In the existing structure, around 44% of the product cost is the cost of the raw material. Value addition in the products depends on the amount of skill required to produce the particular product, the kind of processes involved. Depending upon the intensity of artistic/manual work required the labor cost might vary from 19-23% which includes pre and post weaving processes.

Price Building for SBS (Exhibition Sales)		
Input/Raw Material Cost	189	44%
Producer Earning	80	19%
Aggregator Earning	125	29%
Transaction Cost	31	8%
Per Unit Realization	425	100%

As observed in the VC, it is being controlled by Government agency, the overheads and mark up amounts to 21%.

The focus needs to be given to augmenting the entire value chain and high-value added products from the cluster, thereby increasing the earning potential of the weaver's and channel and product diversification to reducing the weaver's dependence on the single Government entity and maximizing the weavers' income realizations.

Value Chain Observations

The existing Handloom value chain of Dhamtari is still traditional and has gaps that hinder its growth. The current value chain map is illustrated below:

Handloom Value Chain in Dhamtari					
PROCESSES	Input Supply	Production & Aggregation			Trade Channels
ACTORS	Apex Coop	PWCS	Weavers	PWCS/Apex Coop	Apex Coop
VC MAP					
GAPS	Non availability of quality & variety of raw material	Limited facilities for pre-loom processes	Restricted skill levels of women weavers due to nature of current work	No access to adequate finishing & value addition infrastructure for weavers	Limited branding & promotion of products
	Dependence on single source (Apex Coop)		Lack of adequate production workspace	No provision for quality check & control at production level	High dependence on Apex Coop with negligible direct access to mainstream markets
	Lack of Direct Linkage with Suppliers	Limited scale of production due to fragmented production base			Limited product portfolio & design intervention

Core Actors in the VC - Weavers/HH members, PWCS, Yarn Supplier, CG Apex

Major problems identified in the VC

- **Input Supply:**
 - Weavers are dependent on Apex Coop for raw materials procurement through PWCS
 - PWCSs have not established direct links with suppliers. This creates a bottle neck in the production as well.
 - And when they venture out to source raw material, they get to choose from inferior quality raw material available at nearby markets.
 - The weavers are also limited by their financial ability to venture to out better markets to source their raw material requirements.
- **Production Related- Weaving & Value Addition**
 - a. Lack of Adequate Production Infrastructure and Technology
 - b. Limited scope for Value Addition
 - c. Limited Scale of Custom Production
- **Market Related**
 - a. Lack of recognition to Dhamtari cluster products
 - b. Limited product portfolio
 - c. Limited market access
 - There is need to establish a conducive platform to enhance the weavers' capacity to approach the mainstream markets.
- **Absence of Institutional Structure**
 - The lack of a strong institution also impedes growth of the weavers which could cater to market as well as plan for a production planning for all the weavers involved in the institution.

Proposed Intervention

To ensure integrated value chain development in the cluster, it is imperative to promote an artisan owned collective - a Producer Enterprise (PE) having a two tier hub and spoke model adopted to create provision for adequately equipped workspaces to undertake production at a larger scale. Core functional areas of the PE would include:

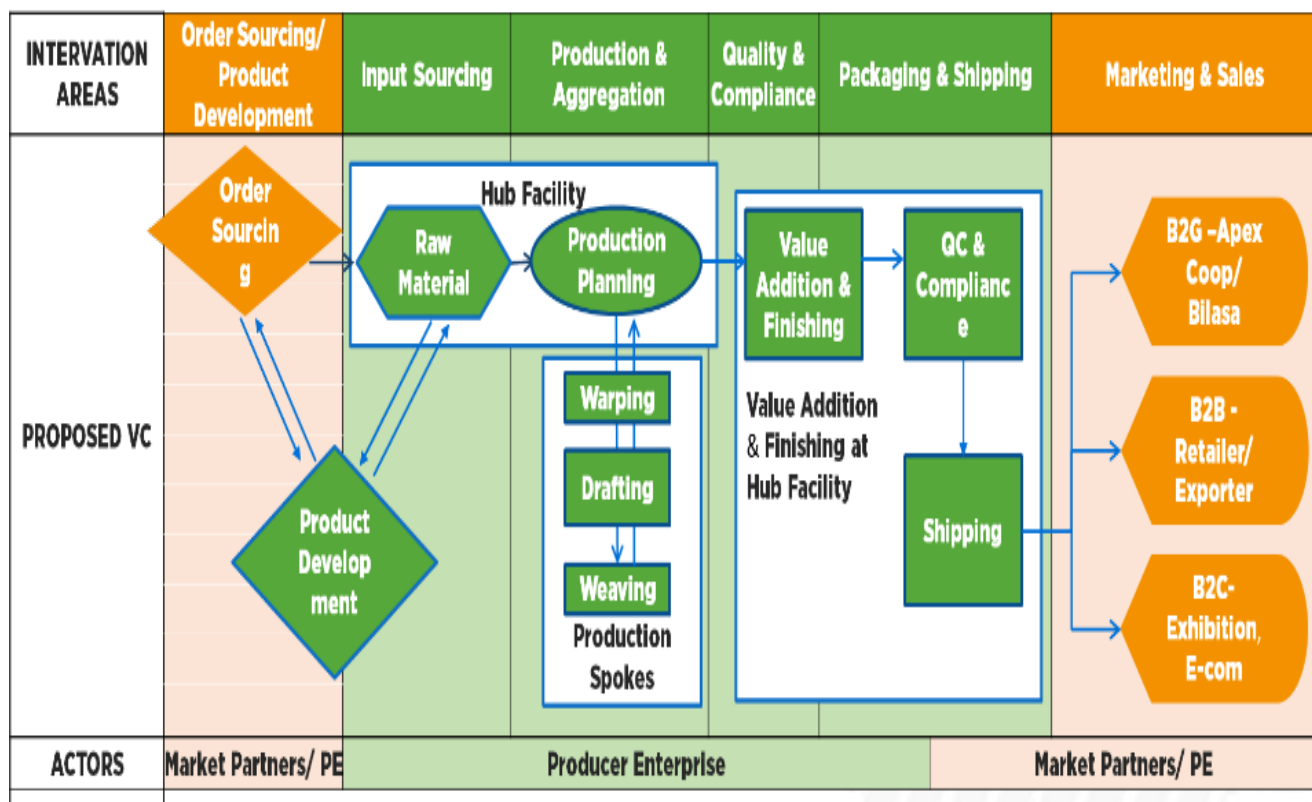
- **Aggregation**
- **Value Addition**
- **Sales & Marketing**
- **Extension services to Members**

The PE shall ensure effective aggregation and implementation of artisan development initiatives and interventions. Aggregation of the production units would enable production at large scale across the cluster.

The key areas of intervention proposed for promotion of the handloom value chain in Dhamtari are:

- **Institutional Design**
- **Developing direct channels for input supply**
- **Developing new product ranges and design innovation**
- **Providing direct market access to the weavers**

The resultant re-structuring shall create an amenable ecosystem to adopt a market-led approach towards creation of commercially viable (PE) which shall drive the clusters holistic development to ensure equitable returns and higher incomes to the women producers engaged in the Dhamtari Handloom cluster.



Illustrative Model



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