

Silk Farming & Textiles

CONSULTATION AND STATUS REPORT

SELCO FOUNDATION

INDIA - MAY, 2020

Based on consultations held with practitioner experts in the silk farming and textile value chain in India on 22 & 27th May, 2020

This document is the result of a Consultation Sessions held between the SELCO Foundation staff and experts and practitioners in the silk farming and textile value chain. The discussion took place covering the challenges across three key aspects- the effects of COVID-19 on the practice and market, main challenges in the said value chain and the ecosystem of solutions which can be devised to overcome them using technology, finance and linkages. The consultation was held with the following people:

Anu Mandal
Chairperson,
AVA Foundation

Arup Kumar Baishya,
Executive director,
AVA Foundation

Rajita Das
Founder, Parijat Assam

Klran Malali
Scientist, Central Silk Board

Pradyumna Mohaptra
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Diganta Bharali
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Lockdown - What happened

“Peak season for sales but business has come to standstill.”

Sualkuchi, the Manchester of Assam a hub for silk and handloom industry has about 5000 - 8000 weavers who are dependent on it as source of livelihood. It is during the Bihu season when the weavers see maximum sales and thus more income. But with COVID coming all the business has come to standstill this is very peculiar situation that we are facing, **normally during this part of the time we see a lot of sales where local population along with the tourists would buy the products but due to the current situation as per industry estimates around INR 10 -15 crores loss to business has happened.**

Diganta Bharali
Silk Expert, Sualkuchi, Assam

“We are very stressed. Our weaving factory might have to close. No plans have been formulated yet.”

Because of lockdown our business has gone down. Our weaving centre is running though as our workers have no other place to go and no other work. I am giving them some work. Our regular designer, who purchases from us, has not given orders. their shop is closed. I have some raw materials from before with which weavers are working. However there is no market, no customers. I am giving less salary but giving them food, gas etc. I pay them once a week. **Weavers are from Assam other districts and they are stuck here. I give them space to stay.**

Rajita Das
Founder, Parijat Assam

“Affected the industry on whole no part has been left untouched.”

No processing can be carried out. Next month we need to start preparing eggs which can't happen. Lot of areas are in the containment zone so people can't move around.

In any industry raw material, processing, production steps are required - In West Bengal. Black cocoons are available but can't transport to beneficiaries. In case of yarn supply, demand has become completely down. In the seed preparation unit, because of COVID - people are heavily securing the village. So people can get in and get out of villages. So running the small enterprises has become difficult, especially in the operations.

Ashish Chakraborty
Tassar Development Foundation, Resource Person
for MoRD - Non Timber Forest Produce

We have different points which are all interconnected. communication and transport has been affected. consumers are not there. Handloom workers have been making design based products and we have never made need based day to day products. people don't have money or interest in these kinds of design products.

People are scared and stressed here as well. Local communication is very important, and people don't have lights or network here. The seasons are also crucial - 2 months of lockdown time we lost market season, bihu season. now monsoon so cultivation has stopped. people have not been able to feed the cocoons. Because of not being entirely self-sustainable, we are dependent on all kinds of linkages.

Anu Mandal,
Chairperson, AVA Foundation

Current Status

“There is depressed business and producer sentiment. The dynamics of the silk business – fragmented at producer level but centralised at aggregator level, cause disproportional effects on producers vis a vis the aggregators.”

Wholesalers and intermediaries - stocking for the future, become very conservative and not really buying more. Everything else will move only if the product moves, no buyers so can keep producing. In the case of silk many are independent producers, they continue to produce but no sales. No buyers.

We tried to gather to find out the stock positions, and try to connect to the buyers. Immediate short-term reach. Government should see this as a healthier form of saving people. Marginal producers are hand to mouth. Work week to week and are a bit stuck can't sell and can't buy further. The majority of the problem is that they are not organised and they are generally under threat. Some of their problems are:

- Aggregator dependency- Mahajan's who control the flow of material both ways. Producers control very less. They are job workers and margins are low.
- Any kinds of quality or quantity are problems of the producer
- One of the major problems is that the raw material is very expensive. The crop happens once or twice a year - cocoons needed for the whole year, and they don't have the raw material or can't store it, Mahajan's are storing and providing financing.
- Distance creates a lot of opportunities for different intermediaries comes in.

Kunal Vaid
Founder, Resham sutra

Building confidence through new livelihood activities, like nurseries and cash - Government is supplying ration but not supplying cash - some are exceptional like Telangana. But majorly Jharkhand, Odisha government is giving only food. There is a huge shortage of cash.

New seasons is arriving and preparing for these is key - Seasons of tassar are close by. Start with monsoon in 15-20 days or so. We need to make our self-prepared before the monsoon for the cocoons. Before the end of June we are able to initiate our rearing activity. We are also negotiating with government. Like essential services for plantation and rearing we are seeking permissions for. Gov, is helping in the same, including mobility.

Attracting and retaining back labour/ Fighting COVID - We are playing ball by ball because we don't know what will happen. We visited west Singhbhum - labours had come back who had migrated. Now we came to know that within three days the zone is red. Community resource persons are going to play a vital role.

Capital investment is needed for the gaps - how can we preserve the seed in the local area. How can we go from centralised to decentralised and we need capital for this? Everything was centralised at a point in time. 10 lakh migrants have come to Jharkhand, now they need investment and enterprise.

Ashish Chakraborty
Tassar Development Foundation, Resource Person for MoRD - Non Timber Forest Produce

“The rural areas are getting heavily affected, we have all seen the plight of the migrant labour but what we are not witnessing is the impact of this migrant labour who have arrived or about to arrive at their villages.”

The situation that we are witnessing is quite unprecedented and we cannot separate the rural areas from the impact of the COVID. **What pushed this people at first place from their villages, they were enough avenues for work and earnings. For our organisation Pradhan, the coming days will be quite challenging who do we engage with the migrants who have returned back. How to provide a dignified life and support them in the process. This is a new opportunity as well as challenge.**

Pradyumna Mohaptra
Production Officer TRCS (Tassar rearing cooperative society), Odisha

Industry Needs and Solutions

Satish Patnaik - Tassar Development Foundation

When we talk about textile industry in India, we need to look at the industry from three levels

One from the consumer point of view:

Silk is not something that poor man would buy and wear. Silk is bought and worn by customers who are affluent

There is lot of cultural significance for silk in our country – which is extensively worn during the marriages, religious functions etc, because of the COVID 19 that segment of the market has been highly affected because neither marriages are taking place nor functions

From the weavers perspective – Weaver generally prefers to get his raw material at lowest possible prices so that their input cost is minimal and weave the materials at lowest possible costs as their margins are very low for example a saree that retails for INR 30000/- in the open market on this weaver hardly makes INR 10000/- when seen in terms of the labour that goes into making it is very less . The remaining INR 20000/- some amount of it is appropriated by the middlemen and some of it goes in marketing expenses. The Weavers think that if they are able to get the raw silk at INR 2000 – 3000 then his/her margins goes up.

Importance of common pool resources in sustaining silk activities

The Silk rearing is Common pool resource (CPR) dependent activity where plantation is an integral part compared to the dependence on the individual property resources . Taking about our *Dhumka* Experience , when such activities are tied up with the CPR this results in increase in access to rearing by larger number of people. The other key learning was **if the grange is available and grange entrepreneurs are encouraged within the village and other support infrastructure is created locally and made available then to some extent we can insulate from such disruptions as COVID . If such facilities are available one can locally source the inputs like cocoon from the grange , from there itself and as result one need to go far away from the village. One more concern is nurseries are not available - even if you have secured the plants they need to be technically managed though timely irrigation, putting system to monitor them and grow it, till such time the plants grow we need to create other livelihood options for the dependent families.**

The main issue in the silk industry is that what would be price of the silk

In case of **Odisha the government buys the product but whereas outside in case of other states , govt does not play such role** or they have not even fixed minimum support price for the Tussar silk .

Access to capital & uncertainty of future business

Farmers don't have capital or even of access to capital is there as they have a fear that how many of them would buy from them and go for the commercial crop. But those who undertake the commercial crops the biggest fear at what scale that commercial crop needs to be undertaken because **if the buy back arrangements are not in place then as world over the demand for the silk is showing decline particularly for this year. May because of he economic crisis the situation might worsen in the future for at least 1- 2 years at minimum.** As a result, this industry is undergoing that struggle now .

Reluctance at the Weaver and Market Levels

This struggle can be views from three ways at consumer level who are not able to purchase , **those who are in business of selling these products are facing problems,** thirdly **weavers they are confused whether they need to go ahead producing the products** many of them are willing to do so and since most of them are home based production can take place. But the problem **who will buy the products as no middle men is approaching them to buy the products and coupled with social distancing orders are also not getting placed** and finally the **famers who grow where they don't see themselves fitting in either of the above chains, as farmers are not directly selling their produce in the market they are either approaching weavers or reeling units but in both cases demand is depressed.** There is a fear in every village that the market in general will be depressed.

Industry Needs and Solutions

Backward and forward linkages are critical – Creating viable business models are critical for future sustainability of the industry as whole

Working with small entrepreneurs also requires that we set a business model we need to look into aspects such as where will he store his cocoons, where DFS will be made. Among so many livelihood activities one can say this activity is sustainable green livelihood activity because the consumption of the chemicals is comparatively very less.

What is needed is that we need to see how the families are able to engage with the resources or to raising the quality nurseries these can be considered as major activities.

Satish Patnaik
Tassar Development Foundation

Transform from an un-organised to organised industry

Since tribal communities are majorly involved the activities still in the socio – economic terms they have not progressed they are still depend on the forest and agriculture for their livelihood. **Those who are involved in the tussar silk production face problem of procuring the seeds – its important that they are able to get the seeds on subsidy and is highly essential so it can be adopted on large scale by tribal communities. It has been observed that even though the govt has created infrastructure but still providing them on timely manner is not happening.** But **after the yarn is produced the transporting is also a challenge now as result, we are not able to send to the other parts of the states where the yarn can be woven into the fabrics.** With non-availability of yarn, they are not in position to produce.

Pradyumna Mohaptra
Production Officer TRCS (Tassar rearing cooperative society), Odisha

Future is in decentralisation - “Service delivery is the most important part which this sector needs to look at.”

Everything can be done at the local level - 20 yrs ago in the initial days of Pradan - if we need to make disease free eggs only scientists can make it. Now we have 353 units doing this in villages. The entire process of eggs to yarn is being done in villages. But we need to link these and make them even decentralised.

- The regular working capital investment will come from community
- Infrastructural investments need to come from the government.
- The resource persons were supported by the philanthropies.

Ashish Chakraborty
Tassar Development Foundation, Resource Person for MoRD - Non Timber Forest Produce

Need for greater governmental and institutional support

These problems have been around for centuries. **FPOs have been able to do well in other subjects other than silk, where they have been able to look at this system, and there is a good opportunity for this in silk as well.** Better solutions and larger scales. **A Jharkhand initiative where 300,000 silk reelers and weavers - showed us that this problem can be addressed.**

Existing support is important for a lot of stakeholders - govt. Support is limited to this fish rather than the ability to sustain them. If somehow the govt. Interventions looked at integrating the activity, and try to solve their local problems.

The government can release the bottle necks from one point to another

- A silk farmer will be indebted to the mahajan and is forced to sell the produce. Here, financing can be provided and input linkages strengthened to reduce dependence on middlemen
- Provide seed and working capital to the silk farmer and enable a better transaction between the farmer and the reeler.
- If the reeler does not have the capacity to keep the stock - then this can be strengthened by creating additional storage at the reelers level

Kunal Vaid - Founder, Resham sutra

Need for private sector involvement

If markets are linked in the silk value chain it will be good. **The government will not be able to get into this.** Private entities will need to get into this.

Kiran Malali
Scientist, Central Silk Board

Need to engage migrant communities

“People **who we have skilled earlier**, and other people **have started migrating back. how do we add them into our vision and cause**”

Anu Mandal
Chairperson, AVA Foundation

Technology Needs and Solutions

Good benefits from technologies available, need to fill more gaps

We are using Unnathi reeling machine which is solar powered, and we are getting the twisted yarn a good market has been created out of it.

Technology is playing a key role previously rearers used to use the wild seeds now they are replicating by them selves unless the money comes into the hands of rearers that will not create any interest. You will be astonished to know that around 30-40 rearers whose society was under verge of closure now they have transformed themselves into the producer society today more than 1000 famers are associated with this collective. Today there is a huge competition is created amongst the rearers. To give the livelihood round the year is to have a value addition programme like fabric production , weaving , reeling , spinning, yarn production are taken into consideration.

Need to solar based looms

We have to go for the latest looms also, we also have solar looms hear where the production is 3 times because the people are fed up with traditional looms only the expert weavers like in sambalpuri . But the **regular producers who produce the normal items can be done by through power looms where production can be three times accordingly there incomes can be higher so we have to think in that way how there production will be more so that they can adopt latest.**

Pradyumna Mohaptra

Production Officer TRCS (Tassar rearing cooperative society), Odisha

Better use of by products

As the filament of silk comprises of two parts it is fibron and Sericin (is a protein created by Bombyx mori (silkworms) in the production of silk.

Silk is a fibre produced by the silkworm in production of its cocoon. It consists mainly of two proteins, fibroin and sericin) sericin which is soluble in water , while boiling this sericin is dissolved if extracted command INR 10000/- **Per gram after purification finds its application in pharmaceutical. So we have to give emphasis to raise there economic level we have secured orders form the entities across India for raw sericin this will fetch good amount. Every part taking case of pupa by the inland farming research institute who found that it has good fat and protein content which can be used a feed for fish.**

Pradyumna Mohaptra

Production Officer TRCS (Tassar rearing cooperative society), Odisha

Capability building is key to bridging gaps

For effective use of tech we need training, for which resources, tie ups etc. are needed. **Previously we have implemented a solar loom to increase capacity. if we want to increase the numbers, we will need to train people and need hostel facilities etc.** we are not able to use tech properly.

Once we start working with tech, the obstacles are many as **we are not educated or aware of running these techs so we go back to our traditional methods.** having a service network is critical. people who know indigenious practices, their lifestyles are very different. **We can start these programs but there is always a gap so people go back.**

Anu Mandal

Chairperson, AVA Foundation

Need to re-think technology needs

We already have surplus stock on that front we don't need worry much and supply to the market. Rather we need to **concentrate on how to upgrade our machinery like how to make quality products , one of the biggest issues that I have been seeing in the north east is the quality and consistency.**

Before the COVID happened where moving in the direction of sustainability , people where becoming environmentally conscious these trends are going to continue even more Post COVID. **The consumer will be looking for a better-quality product . environmentally friendly , its needs to be durable, sustainable, fashionable so that where in pre COVID a person was buying 10 different products but now the person is going to buy one product but that one product will be absolutely best set all the benchmarks for consumer.** So it will be very important for us to tap this trend and this is good time to **actually retain our weavers instead of making them sit idle at home we can actually train them in natural dyeing and use of peddle looms .** Use of solar powered looms can be a way forward and what we see is that in the **villages after 4:00 pm in the evening due to poor lighting conditions works gets stopped , we need to extend the working hours.**

Ameet

Silk Expert, Sualkuchi, Assam

Technological support in rearing, yarn production and weaving we have seen that efficiency increases along with people experience less physical stress and that frees them up for other works or engage in other livelihood activities. Generally, with increased efficiency people often don't sit idle they go for other activities , there is 30-40 % increase in there annual income. They are able to save on time and also reaping health benefits also they have seen increase of 20-30% income in other activities they engage in this generally seen any set of worker be it skilled weaver or the traditional bull less skilled weaver.

Satish Patnaik

Tassar Development Foundation

Needs and Solutions for Business Models and Linkages

Need to involve communities across the value chain and creating linkages between them

We have established 9- 10 common facility centers where women after doing their day today works are sitting together to produce the yarn. We are supplying the boiled cocoons to the units so that weekly they are bringing yarns and taking wages.

We have to develop certain systems we have to **develop infrastructure where women are interested** — currently there is no land facility , no drinking water so we have develop these CFC model in the interior pockets where the ladies can get the livelihood in the door step at the same time we have to attract new comers who have computer knowledge , embroidery work , digital printing.

We have also undertaken huge plantation programmes in Naraya convergence with MGNRES programmes - where local collectives are involved in all the activities- thus they are able to have exemplary economic status with very high incomes.

Unless famers get monies they will not adopt or change to new means so we have to develop new models they will livelihood at their own places get the jobs in their own places. If you seen, in all the weaving patches – Gopalpatna. Azamgarh all the family members are involved various parts of the value chain.

Pradyumna Mohaptra

Production Officer TRCS (Tassar rearing cooperative society), Odisha

Need to efficiently manage available labour to boost local economies

Our approach in such circumstances should be that we categorise or division of labour to encourage the specialisations that bring in efficiency .The division of labour enhances the productivity if all are involved in one activity one cannot hope to achieve the desired quality . When we link it with the outputs it encourages the people to do more work in efficient manner this encourages healthy competition among them to earn more in the process for that to happen supervision is also important.

Pradyumna Mohaptra

Production Officer TRCS (Tassar rearing cooperative society), Odisha

Learning from the Chinese and making use of governmental institutions to create linkages

We have to see the Chinese example where they have established process across the value chain end to end . From growing mulberry to rearing the worms , yarn is also produced there only within 100 km radius we seen the final products are also made from looms. But such is not possible in our context , our focus should be on increasing the income of those involved by at least 30-40 % by introducing appropriate technology.

We also need to see how we can work though CFC which is initiative by state govt where all the facilities are to be provided through the State and National Rural Livelihood Mission

Satish Patnaik

Tassar Development Foundation

Needs and Solutions for Markets

The crises, an opportunity to relook at local markets

The weaver and designers has all been affected but again we have to see the silver lining in every as **every crisis in the past have thrown the great opportunities for us , so the business or designers who are going to survive are the one who can adapt to the situation quickly. Right now in Assam since face mask has been made compulsory when you venture out a lot of designers are into making face mask to sustain themselves.** When this lean pandemic season is going on and there are gain some opportunities we need to look out for these opportunities where they are and grab them but then obviously some jobs will be lost because of if any designer will not be able to sustain the complete work and they same can happen with artisans.

During this time local consumption is equally important and that's where I feels Assam is a bit different from the rest of the country because traditionally whatever we were producing 80% was for local consumption so impact will be there, the sales may be down by 50% but it wont be such an scenario like where people in distress would resort to extreme steps.

Ameet
Silk Expert, Sualkuchi, Assam

Government as a market creator

Govt will have to work out of the box. They will have to create demands - school uniforms, hospital curtains all could be done with handloom fabrics as it is sustainable. Govt always says we are giving orders but you are not able to meet our orders. If we use sustainable technologies properly, we will be able to meet orders.

Opportunities need to be broadened and we need to promote our local products. **We have been primarily looking at developing products based on tourists but now we are looking at the needs of the locals.** To increase production we are thinking of working double shifts. **We will also need to re-think our pricing. We cannot reduce pricing, but can increase value and opportunities. If awareness is raised, people won't contest the pricing.**

We have moved to the village and have adopted the village where we work in. 60 days we have all been sitting idle as we didn't know what to make. **We started making masks using handloom cotton for our own staff. We had some eri natural dye so we made masks with it for 170 rs - with some catchy captions, about the goodness of natural dyes like turmeric etc - 3000 orders have come in!**

Anu Mandal
Chairperson, AVA Foundation

Making the move to digital marketing and new demands and ways of business

We are taking steps to reach out to the newer markets here in our cooperative we are setting up a website- this website will enable the weavers to advertise their products. We have necessarily have to transition to the global platform this enable new markets to be opened up. **We have to enable even the small weavers whose scale may be very low still would be able to access the larger market . This will enable customer and weavers to establish connect between themselves. This will help us to match between the demand and supply accordingly the production can take place or secure new orders.**

Designs in the silk industry frequently changes we usually collect the designs and make the craft we use extensively computer-generated graphics to come up newer designs. If we are able to use social media platforms then we what happens we are able to integrate all the aspects from production to deigning to marketing

Diganta Bharali
Silk Expert, Sualkuchi, Assam

This pandemic has made playing field equal for everybody when you compare the pre pandemic situation north east was little behind the rest of the country but post pandemic all have to start a fresh so it will give us a lot of opportunities to tap various markets gradually . It is the time when we have to introspects and see what are all our strong capabilities and actually tap those and ensure that world knows about it — whether its silk weaving or different motifs. So the designers will have to work doubly hard to see how they can adapt to this new changing environment. We have to catch up to the new emerging trends. We have create opportunities for newer environments.

Ameet
Silk Expert, Sualkuchi, Assam

Needs and Solutions for Financing and Governmental Support

“On paper there are loans that are available but to get it is very difficult. Schemes might be there but banks are quite hesitant to sanction them.”

Easier one window clearance, reduced rate of interest this measures can go along way in easing up the way enterprises tap for the resources this will enable the enterprises to upgrade technologies.

Ameet
Silk Expert, Sualkuchi, Assam

“We went to the DIC office to check on schemes and subsidies but there is no information so far”

We have gone to handloom textile offices, tried to get **subsidies, loans, have not gotten anything — since I have a private organization.** Through DIC I have had training, I have certification. **Weaving centre is registered under DIC, yet there is no support available.**

Rajita Das
Founder, Parijat Assam

Need to re-think financial support offered to tribal communities

We have tried to link with govt. but that failed because **tribals don't want to invest in infra with loans.** Either govt grant or tribal invests itself (group based or individual). Even **for buildings community contributes through labour.** Community becomes a user group and makes a schedule. **They can't contribute financially but labour they can.** Those that don't have money to buy veggies beyond rice then we can't expect them to provide a loan.

Ashish Chakraborty
Tassar Development Foundation, Resource Person for MoRD - Non Timber Forest Produce

Need to involve silk in government packages being announced

If Assam govt includes the handloom and SMES as part of the stimulus package it will be helpful but still we are not aware of the package being announced.

For co-operatives, Aatmanirbhar, a package of 20 Lakh crore has been announced - which covers major agricultural - under that umbrella and silk can come in. We are proposing them to do this.

Diganta Bharali
Silk Expert, Sualkuchi, Assam

Need to promote adoption of schemes being offered

Now, MSME are interested in converting few places into clusters ready to finance upto INR 20 crores for setting up such machineries with land being provided by the district administration and also ready to provide INR 10 cores to build marketing infrastructure in Bhubaneswar. But the only thing is that people are not forthcoming and showing interest, in case of the traditional weavers they are already part of the collectives such as societies.

Pradyumna Mohaptra
Production Officer TRCS (Tassar rearing cooperative society), Odisha

Need to set decentralised norms for Govt. programs so that they are accessible

We would like to make use of the MSME packages - and link to govt as it is willing to promote local products. **We need government support needed: eri silk - rearing houses needed, disease free varieties, funds for cluster development, training programs for tribal communities.**

However, the govt has so many norms which many a times are too many to comply to. Having centralised norms make no sense and should be based on states and regions. When govt speaks of funds for cluster development, it doesn't reach us most of the time. More transparency is needed. Govt should come to us, we shouldn't have to go begging to them.

A lot of time schemes and subsidies that are offered are not even required. For example, they are paying 2000 rs for silk weavers. Our weavers don't have weaver cards so cannot get. The data says there are 12 lakh weavers in Assam but are they even getting these funds. People have no awareness on schemes announced. Under the govt sericulture program - they are saying they need land to help us with the program for growing plantations. And we don't have land.

Anu Mandal
Chairperson, AVA Foundation

On paper there are many schemes that have provision to make loans but in practice seldom loans are disbursed. **We are dealing with people who are poor and illiterate who are not able to take the advantage of such schemes.**

Govt should also encourage such innovations. **The Unnati machine which was not approved by the govt even after trials and good feedback from the weavers** - how can we progress and think of introducing new technologies if such is the situation

Pradyumna Mohaptra
Production Officer TRCS (Tassar rearing cooperative society), Odisha

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Thank You!

**For more information
please get in touch:**

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