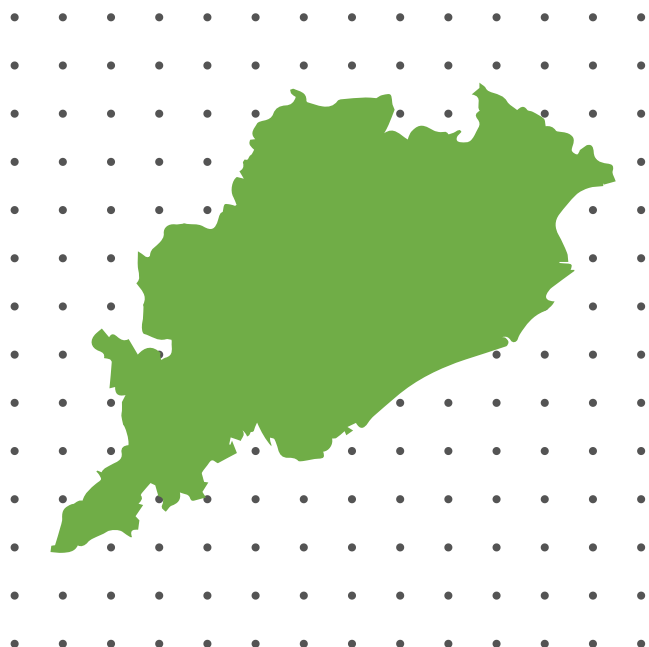


# Bamboo Resource Status & Business Opportunities in Odisha



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# **Bamboo Resource Status & Business Opportunities in Odisha**

Technical Inputs

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## Abstract

The report is an attempt to present an overview of bamboo production and trade in India and the world, understand the current situation in Odisha and explore opportunities to add value to the lives of thousands of people who depend on bamboo for their livelihoods.

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# 1. Bamboo – An Overview

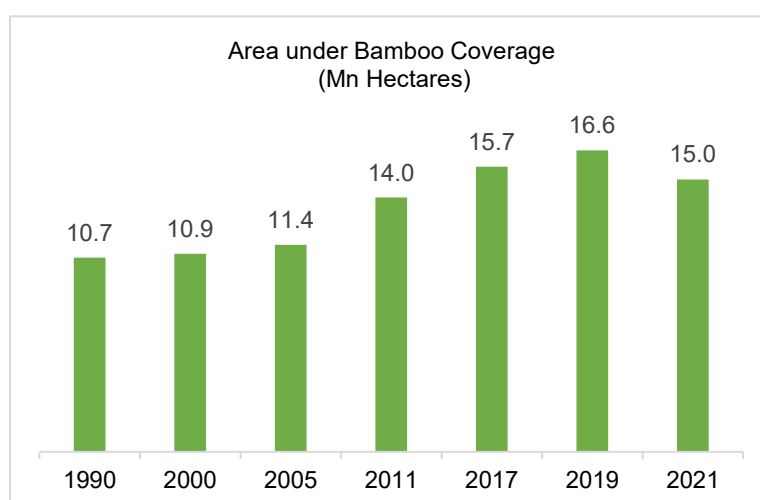
Bamboo is an essential resource in the Indian economy and has been a significant part of the India's culture and way of life, particularly in rural India. Given its many applications and adaptability, it is also frequently referred to as "green gold" and "poor man's timber." It is a member of the Gramineae (Poaceae) family and is widely distributed throughout Asia, Africa, Central America, and South America, but is most prevalent in South, East, and Southeast Asia. There are more than 1,200 species and more than 90 genera of bamboo worldwide. Of them over 500 species are found in China alone and more than a 100 species each are found in Japan, India, Indonesia, Myanmar, and Malaysia.

Bamboo is one of the fastest growing plants and can easily adapt itself to a wide range of climatic and soil conditions. According to FAO, they can be as little as a few centimeters (dwarf bamboo variants) or as tall as 30 meters with a maximum diameter of 30 centimeters. It is one of the most important natural substitutes for the endangered forest hardwoods and partially for energy intensive steel, plastic and other construction materials and lifestyle products. It is a non-timber forest product that matures quickly (in 3-5 years), is adaptable, and expands at a rate of 10–30% per year as opposed to 2-5% for trees, which can take 50 years to mature. Additionally, bamboo has nearly zero waste potential because all its parts can be used to create a wide variety of products.

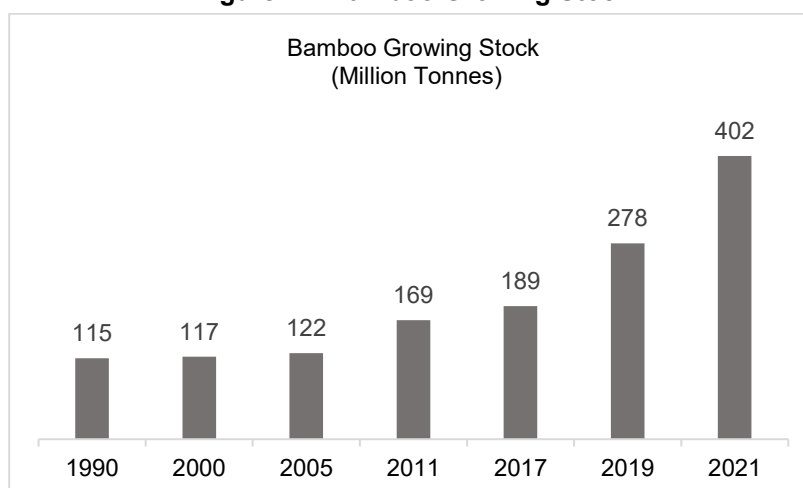
## 1.1. Production in India

Bamboo grows in all parts of the country, except Kashmir. According to Forest Survey of India, India is home to 125 indigenous and 11 exotic species of bamboo belonging to 23 genera with more than 50% of them growing in Eastern and North-Eastern India in the states of Assam, Meghalaya, Manipur, Mizoram, Nagaland, Tripura, Sikkim, and West Bengal. Arundinaria, Bambusa, Chimonobambusa, Dendrocalamus, Dinochloa, Gigantochloa, and Indocalamus are a few of the major genera found in India (FSI, 2021). *B. bambos*, *B. balcooa*, *B. cacharensis*, *B. polymorpha*, *B. nutans*, *Dendrocalamus asper*, *D. hamiltonii*, *Thyrostachys oliveri*, and *Melocanna baccifera* are a few of the significant commercial bamboo species grown in India (National Bamboo Mission).

**Figure 1.1 Area under Bamboo Coverage**



Source: Forest Survey of India

**Figure 1.2 Bamboo Growing Stock**

Source: Forest Survey of India

According to India State of Forest Report 2021, the total area under bamboo in India is estimated at 15.0 million hectares, which is 1.06 million hectares less than the estimate of 2019, showing a decrease of approx. 5%. When combined with FAO data from 1990 to 2005, it reveals an upward trend in both the area under production and the growing stock. The total green weight of bamboo culms is estimated as 402 million tonnes in 2021 of which green sound bamboos contribute 66% and dry sound bamboos contribute the remaining 34%. As compared to the estimate of ISFR 2019, an increase of about 124 million tonnes equivalent green weight of bamboo has been observed.

At a global level, India is one of the largest producers of bamboo. The FAO conducted the last thorough worldwide research on bamboo resources in 2005, and the lack of updated data on this subject restricts cross-country comparisons in the present. According to FAO data, China came in second with about 5.5 million hectares, followed by India with over 11 million hectares, which accounts for nearly half of the world's acreage. However, India's productivity lagged well behind China's.

## 1.2. Production in Odisha

In 2021, Odisha ranked 4th in area under bamboo cultivation amongst Indian states at 11.2 Lakh hectares and had a stock of 237.2 Lakh tonnes, which is 5.9% of the total stock of the country. The key statistics of bamboo growing stock in Odisha is given in the below table and charts:

**Table 1.1 Bamboo Production in Odisha – Key Statistics**

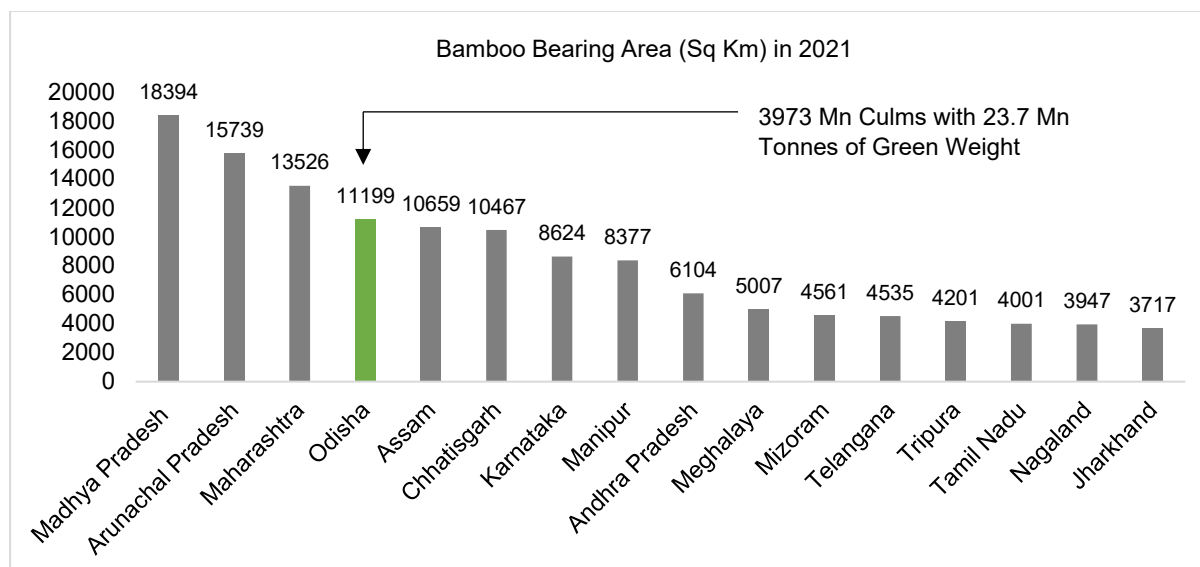
| Indicator  | Growing Stock | Share of India |
|--|---------------|----------------|
| Bamboo bearing area within the forest (Sq. Km)       | 11,199        | 7.5%           |
| Total number of Culms (million)                      | 3,973         | 7.5%           |
| Total green weight equivalent of Culms ('000 tonnes) | 23,716        | 5.9%           |

Source: Forest Survey of India

Despite the good production base, bamboo cultivation has witnessed great progress in Odisha. Compared to the 2019 levels, the total bamboo stock in the state in 2021 grew 47% from 161.3 Lakh tonnes to 237.2 Lakh tonnes. The bamboo bearing area decreased by 5.6% from 11.8 Lakh hectares to 11.2 Lakh hectares during the same period. At the density level, this shows a remarkable increase

from 2291 bamboo culms per hectare to 3973 culms per hectare, which is a growth of 73.4%.

**Figure 1.3 Bamboo Bearing Area of Select States in India**



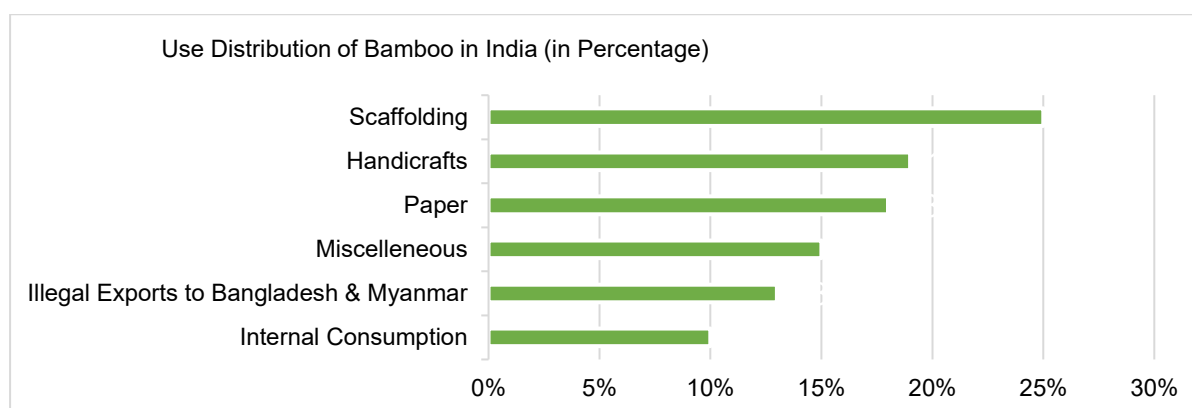
Source: Forest Survey of India

## 2. Uses of Bamboo

Being abundant in bamboo resources, the state of Odisha has an inherent tradition of using bamboo products in everyday life, religious ceremonies, and even in housing and construction. Bamboo basketry is a means of livelihood for rural artisans, especially women. Varied forms of basketry are produced depending on utility or occasion. Bamboo is also used as a raw material by the paper industry in Odisha.

More than 10,000 recorded uses of bamboo have been found worldwide, according to the International Bamboo and Rattan Organization (INBAR), and both use and trade of bamboo are expected to increase rapidly. Utility and craft products, building supplies, laminated panels, boards, and mats, prefabricated homes, pulp and paper, fabrics and clothes, musical instruments, and food are just a few of its widely used applications. 25% of it is used in the housing industry for scaffolding and handicrafts remain to be the second largest area of consumption.

**Figure 2.1 Consumption Distribution of Bamboo and Bamboo Products**



Source: National Bamboo Mission, Ministry of Agriculture

## 2.1. Craft and Lifestyle Products

Bamboo is used to create a variety of handicraft and handwoven goods for both ornamental and practical uses. Baskets, lamp shades, trays, and flower vases are few examples. Most bamboo items are within the upholstery category and include table mats, runners, window blinds, curtains, and screens. Bamboo sticks and strips are woven into products of varied width and specification.



**Figure 2.2: Bamboo Tray, Lamp Shade, and Table Runners (Left to Right)**

## 2.2. Furniture

Many types of furniture, including tables, chairs, bookcases, and corner tables, are made of cane and bamboo. Bamboo furniture, which is produced in the north-eastern states of India, is widely used both in urban and rural areas of the nation.



**Figure 2.3: Bamboo Coffee Table, Bed-Side Table, and Cabinet (Left to Right)**

Source: Shutterstock

### 2.3. Construction Material and Housing

Due to its great compressive strength and low weight, bamboo is a material that is frequently utilised in the building industry. The majority of bamboo is used in India for scaffolding, which supports concrete constructions while they are being built. Additionally, bamboo is utilised inside homes for walls, floors, roofs, and fencing. Homes in some areas are made almost entirely of bamboo. Bridges have also been constructed using it.



**Figure 2.4: Architectural Structures made of Bamboo**

Source: Shutterstock

### 2.4. Utilities

Bamboo has long been and continues to be a major source of utility products widely used in day-to-day items. Agarbattis, toothpick can be seen in use all across the country, whereas baskets, supas (winnowing trays) and mats are in universal consumption across the rural areas. Other items include utensils such as plates, trays, spoon, forks, and chopsticks.



**Figure 2.5: Bamboo Cutlery, Winnowing Tray, and Laundry Basket (Left to Right)**

Source: Shutterstock

## **2.5. Food**

Bamboo shoots are a popular source of food and nutrition in many parts of the world including the North-Eastern and Eastern parts of India as vegetables and pickles. They are rich in vitamins, cellulose, amino acids, and fibre. With the popularity of Asian cuisines, they are also becoming popular globally.

## **2.6. Fabric and Fashion**

Bamboo fibres are used to make yarns and fabrics as they are known for their anti-microbial, hypoallergenic (do not cause skin irritation), breathable and thermo-regulating making it fit to wear in all seasons. Bamboo fibres are soft and are valued for their eco-friendly properties. They are also used in sanitary applications as sanitary towels and absorbent pads.

## **2.7. Carbon Sequestration and Renewable Energy**

According to the International Bamboo and Rattan Organization (INBAR), Bamboo is useful for climate change mitigation due to its carbon sequestration capabilities as it is one of the fastest growing plants in the world. It can absorb nearly 400 tonnes of carbon per hectare. Due to its fast growth, bamboo is considered a good source of renewable energy as charcoal and biomass.



### 3. Bamboo Craft in Odisha

#### 3.1. Bamboo Resources of the State

As per the Odisha Bamboo development Agency, there are about 13 species of bamboo available in Odisha of which most commonly found are *Dendrocalamus strictus* (80%), and *Bambusa bambos* (10%). Cultivated species are *Bambusa vulgaris* & *Bambusa nutans*. *Bambusa tulda*, *Dendrocalamus lorgispathus*, *Schizostachyum pergracile*, *Thyrostachys oliveri* & *Gigantachloa rostrata* are occurring in localized area in different parts of State. Others (*Thyrostachys regia*, *Dendrocalamus giganteus*, *Bambusa striata*, *Bambusa wamin*) are occurring in silvicultural & other bambusetum as representative plantation.

##### 3.1.1 Natural Bamboo Resources

According to the Odisha Development Agency, ten divisions cover 48% of total Bamboo Overlapping Area with the forests in Odisha. Districts with high % of areas under bamboo in the forests are Ghumsar (North), Phulbani, Kalahandi (North), Nayagarh, Parlakhemundi and Bonai.

**Table 3.1 Bamboo Resources in Odisha – Major Districts**

| Districts         | Forest Area (in Ha.) | Bamboo Over Lapping Area (ha) | % of forest Area |
|-------------------|----------------------|-------------------------------|------------------|
| Ghumsar (North)   | 92100                | 58900                         | 64%              |
| Ghumsar (South)   | 144200               | 62900                         | 44%              |
| Bonai             | 149400               | 70200                         | 47%              |
| Parlakhemundi     | 208900               | 102100                        | 49%              |
| Rayagada          | 207000               | 98800                         | 48%              |
| Phulbani          | 146600               | 101100                        | 69%              |
| Kalahandi (North) | 122500               | 68500                         | 56%              |
| Kalahandi (South) | 73900                | 2900                          | 4%               |
| Angul             | 69800                | 11300                         | 16%              |
| Nayagarh          | 106300               | 61100                         | 58%              |
| Total             | <b>13,20,700</b>     | <b>6,37,800</b>               | <b>48.2%</b>     |

Source: Odisha State Bamboo Mission & FSI'19-Odisha

##### 3.1.2 Homestead Bamboo Resources

The cultivation of homestead bamboos is done on culturable wastelands and lands otherwise not suitable for agriculture. In some cases, bamboo plantations have also been done on agriculture lands. The most common species in non-forest areas of Odisha are *Bamusa vulgaris* (Sundarkani) and *Bamusa nutans* (Badia).

#### 3.2. Bamboo Artisans and Clusters

Being predominantly a tribal state, Odisha has a rich history of tribal arts and crafts such as Pattachitra, Tala Patra and handloom / silk products and cane & bamboo. Given the vast tracts of forests in the state, bamboo is widely available and has been in use by the community for a range of purposes such as housing, food, fencing and household utilities amongst others. In general, bamboo and bamboo products are widely available and used across the state.

### 3.2.1 Economic Condition of Artisans

The bamboo artisans primarily belong to vulnerable communities and have limited ownership and access to resources. They lack access to the market, better production technologies and orientation to market trends. Most of them don't even own land and their financial situation is weak. All this makes even access to finance difficult in the absence of collateral. Those who lend (NBFCs and moneylenders), charge high interest rates as compared to the nationalized banks. The work for these artisans varies across the year due to demand cycles and agriculture season. On average, the monthly income of a bamboo artisan is estimated to be around Rs 3,000 per month.

### 3.2.2 Seasonality of Bamboo Work

Most of the bamboo artisans are farmers as well and divide their time depending on the seasonality of work in bamboo and agriculture sector, which is as follows:

**Table 3.2 Seasonality of Bamboo Work among Artisans**

| Activity     | January | February | March | April | May | June | July | August | September | October | November | December |
|--------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| Bamboo Craft | High    |          |       |       |     | Low  |      |        | High      |         | Low      |          |
| Agriculture  | Limited |          |       |       |     | High |      |        | Low       |         | High     |          |

Source: Foundation for MSME Clusters

### 3.2.3 Bamboo Clusters

In the absence of data from the government sources on the artisans that depend on bamboo craft for their livelihood, it's challenging to assess the accurate number of artisans. However, according to some non-government sources such as Cluster Observatory set up by the Foundation for MSME Clusters (FMC) [www.clusterobservatory.in](http://www.clusterobservatory.in), there are 34 cane and bamboo clusters in Odisha. Of these, six have been mapped with select details as given in the following table:

**Table 3.3 Key Bamboo Clusters of Odisha**

| # | Cluster Name                | District   | Artisan No.    | Major Products  | Specialization           |
|---|-----------------------------|------------|----------------|---|--------------------------|
| 1 | Pallahara Cluster           | Angul      | 195 + artisans | Flower vase, Pen stand, Table lamp, Showpiece, rack, Basket, Wall hanging | Flower vase & Table Lamp |
| 2 | Deogaon Cluster             | Balangir   | 213 + Artisan  | Mirror Stand, Table Lamp, Key holder, Morha                               | Morha & Mirror Stand     |
| 3 | Paralakhemundi Cluster      | Ganjam     | 60 + artisan   | Showpiece, Flower basket  | Showpiece                |
| 4 | Banapur Cluster             | Khordha    | 250 + Artisan  | Utility Product, Agarbatti Sticks   | Agarbatti Sticks         |
| 5 | Bhawanipatna Bamboo Cluster | Kalahandi  | 500+ Artisans  | Bamboo woven, furniture   | Bamboo woven products    |
| 6 | Mathili                     | Malkangiri | 100 + Artisans | Table, Lamp, Basket, Mats   | Basket & Mat             |

Source: Cluster Observatory-FMC

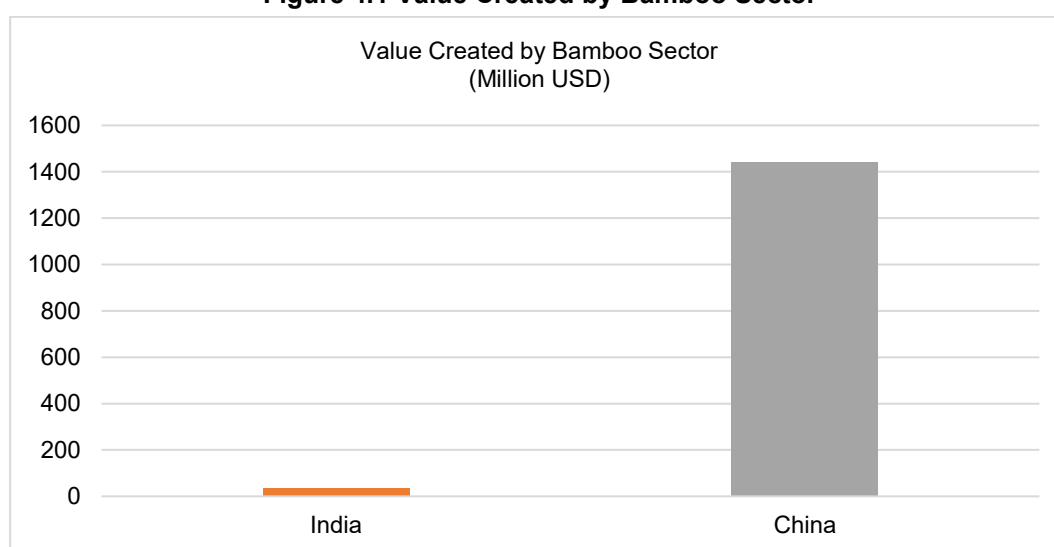
## 4. Bamboo and Economic Development

Given its prominence and relevance in the society and its culture, both rural and urban, bamboo is an excellent source of economic growth and development. World over and specifically in India, millions of households depend on bamboo for their income, food, and utilities.

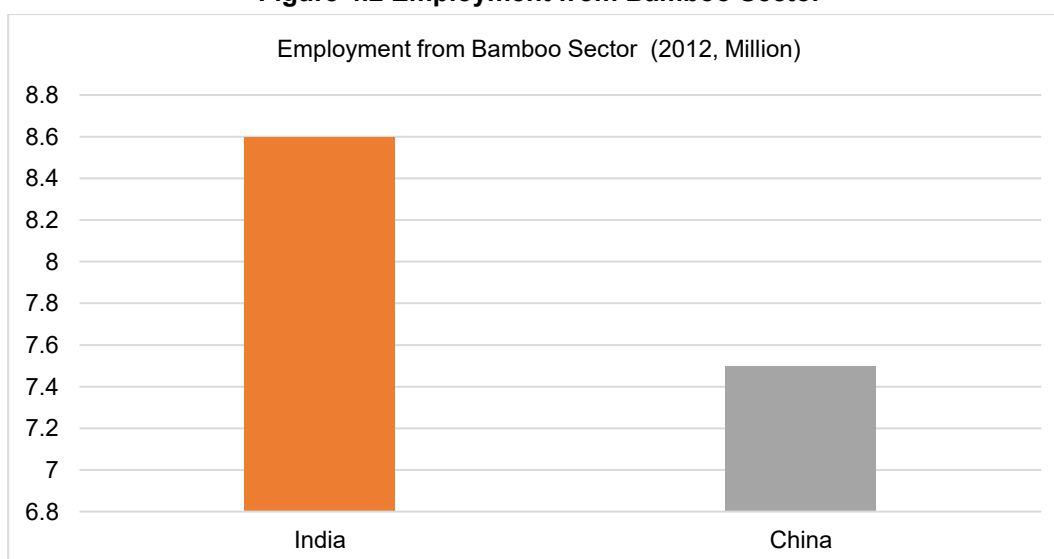
8.6 million people in India rely on the bamboo industry for their livelihood. The bamboo industry is significantly underutilised and has the potential to provide more than 516 million man days of work annually, according to the Dalwai Committee report on Doubling Farmer's Income.

Indian bamboo is currently estimated to create value equal to USD 4.4 billion – approximately 130 times the USD 34 million recorded in 2003. In China, the world's largest bamboo producer, production was valued at USD 19.5 billion in 2012 – an increase of nearly 50 per cent from the 13.1 billion recorded in 2010.

**Figure 4.1 Value Created by Bamboo Sector**



**Figure 4.2 Employment from Bamboo Sector**



Source: INBAR

According to the International Bamboo and Rattan Organization, the estimated worth of bamboo and rattan sector across the world is approx. USD 60 billion a year and its annual international trade is close to USD 3.4 billion.

#### 4.1. India's Share in International Trade

Even though India is one of the leading producers of bamboo, its share in world market is negligible, accounting for 1% of the total global trade in 2020 (Data: UN Comtrade). Some of the leading exporters of bamboo products are China, Vietnam, Thailand, and Indonesia.

**Table 4.1 Bamboo Trade Statistics – India & China**

| Commodity                          | India's Export | India's Import | World Export | Export Share of India | China's Exports | Export Share of China |
|------------------------------------|----------------|----------------|--------------|-----------------------|-----------------|-----------------------|
| Bamboo Shoots                      | 0              | 0.3            | 1820         | 0.00%                 | 1528            | 84%                   |
| Bamboo Used Primarily for Plaiting | 3.7            | 596            | 709          | 0.60%                 | 475             | 67%                   |
| Bamboo Charcoal                    | 2              | 1.5            | 818          | 0.20%                 | 641             | 78%                   |
| Bamboo Flooring                    | 2              | 7              | 720          | 0.30%                 | 627             | 87%                   |
| Bamboo Plywood                     | 0.4            | 0.9            | 627          | 0%                    | 508             | 81%                   |
| Bamboo Mats / Screens              | 0.4            | 2.6            | 1049         | 0%                    | 954             | 91%                   |
| Bamboo Plaits & Plaiting Materials | 0              | 0.7            | 333          | 0%                    | 299             | 90%                   |
| Bamboo Basketwork                  | 5.8            | 3.1            | 1674         | 0.30%                 | 989             | 59%                   |
| Bamboo Pulp                        | 0.2            | 2.7            | 38           | 0%                    | 19              | 50%                   |
| Bamboo Paper Based Products        | 0              | 0              | 224          | 0%                    | 50              | 22%                   |
| <b>Total</b>                       | <b>14.5</b>    | <b>614.8</b>   | <b>8012</b>  | <b>1.40%</b>          | <b>6090</b>     | <b>71%</b>            |

Source: UN Comtrade

China has a dominant position in exports of bamboo products across all product categories, especially the bigger ones such as bamboo shoots, bamboo mats/screens and bamboo basketwork. After China and Thailand, some of the largest exporters of bamboo shoots are European countries such as Germany, Netherlands, Italy. It is to be noted that these countries don't have a bamboo production base - they import bamboo as raw material, process it and export it to others.

This could be made possible by providing an enabling environment for entrepreneurship or in general enterprise development where entrepreneurship along with adequate policy support creates a competitive industry geared towards exports. Whereas, in case of India, despite being the leading consumer and producer of bamboo, we are often unable to competitively tap the market as in the case of incense sticks. India imported Rs. 800 Crores of incense sticks' (Agarbattis) by value in 2020, primarily from China and Vietnam. This primarily happened due to the reduction in import duties, due to which the imports grew exponentially from 31 Crores in 2008 to 800 Crores in 2020.

If adequate incentives and policy support is provided to the sector, these items can be gainfully produced in India creating employment and prosperity for tens of thousands of people. Thus, support for enterprise development is key to poverty alleviation and very often needs support from multiple

stakeholders, including government, civil society, and private sector.

## 4.2. Odisha's Share in Exports and National Markets

In the absence of information on the market size of bamboo products within Odisha and state's share in the national and international markets, it is difficult to assess state's contribution. However, given that the leading cane and bamboo clusters are in North-East India, it can be assumed that Odisha has so far not tapped national and international opportunities and its products primarily cater to the local market. This is also corroborated by the fact that most of bamboo products in the state are utility items such as mats, baskets and trays and are primarily oriented towards local and regional consumption.

## 4.3. Key Issues with Bamboo Sector

The key constraints and challenges faced by bamboo sector in Odisha is like the ones faced by artisans, entrepreneurs, and producers in other parts of India as well. The major issues emerging from various studies are (i) lack of availability of uniform quality of raw material and training facility; (ii) lack of organized market; (iii) insufficient market information (iv) absence of value-added products and (v) lack of market linkages and (vi) lack of modern technology.

## 4.4. SWOT Analysis

|  |  |
|--|--|
| <p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Abundance of natural resources esp. wood and bamboo</li> <li>• Favorable environment for bamboo growth and development</li> <li>• Fastest growing woody grass with less production cost and more employment</li> <li>• Availability of high skilled artisans</li> <li>• Strong indigenous knowledge in production and consumption of bamboo</li> <li>• Incubation center at Sambalpur University to incubate start-ups in bamboo sector.</li> </ul> | <p><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Low productivity is due to lack of scientific management of different species.</li> <li>• Lack of capacity building in post-harvest management</li> <li>• Lack of exposure of different market segments.</li> <li>• Vulnerability of artisan and low risk-taking capabilities</li> <li>• Lack of enterprising and marketing skill</li> </ul> |
| <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• High export potential</li> <li>• Development of agro-ecological zone-specific farming and production systems using bamboo.</li> <li>• Industrial approach to bamboo sector</li> <li>• Diverse range of products and market.</li> </ul>  | <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Poor linkages between production and marketing bamboo products</li> <li>• Low cost-benefit ratio at times</li> <li>• Substitute products that are made by wood and plastic.</li> </ul>  |

## 5. Opportunities in the Bamboo Sector

Creating meaningful livelihood opportunities from agriculture and allied sector such as bamboo cultivation and value addition has been the aim of several government, civil society, research institutions, multilateral institutions, and private sector interventions.

In the “Report of the Committee on Doubling Farmers’ Income” by the committee headed by Dr. Ashok Dalwai, bamboo has been identified as an important source of income for farmers through enterprise development based on its various uses. It also generates opportunities from cultivation to value addition at the household level and opportunities for entrepreneurs to manufacture bamboo products at commercial level and at scale. Some of the opportunities identified in the report and by other experts and organizations include:

### 5.1. Housing and Construction

Housing is a major source of consumption of bamboo and continues to grow with the sector. Due to its strength and diversity in applications, apart from scaffolding, bamboo is used in flooring, door and window frames, roofing, composite boards, and prefabricated houses. Several opportunities for prefabricated bamboo buildings and bamboo toilets are already demonstrated by at least a dozen public and non-governmental institutions. The National Building Code, 2005 provides room for usage of several species of bamboo. There also lies potential in public initiatives in housing (Pradhan Mantri Awas Programme), schools and toilets (Swachh Bharat Initiative). This will be a new area of Odisha based enterprises to venture into since there are few existing enterprises of this kind.

### 5.2. Boards and Panel

Bamboo has applications as particle board, floorboard, laminated board, pressed boards, compound board used at household and industrial levels. This will also be a new area for Odisha to tap into and help create enterprises in this capital-intensive sector.

### 5.3. Food

Bamboo shoots are already a popular food in several Asian countries and are becoming popular globally. The sector has seen consistent growth in exports in the last 10 years. In 2020, the total value of world exports was approx. 256 million USD or approx. Rs 1820 Crores. Apart from the large domestic consumer base, India can benefit from the growing export market, where it is an insignificant player as of now. However, there are hardly any enterprises of this kind in Odisha and their development will involve the creation of a proper ecosystem around it.

### 5.4. Crafts and Utilities

Craft and utilities are already a major source of consumption of bamboo and continue to find new opportunities through product development and orientation amongst the consumers towards eco-friendly alternatives to plastics. Partnerships with a wide range of institutions and the private sector can help build on its existing strength in this sub-sector where Odisha is already strong.

## 5.5. Energy

Due to its fast growth, bamboo is considered a good source of renewable energy such as charcoal and biomass. In 2020, more than Rs 818 Crores of charcoal were exported globally, of which two-thirds was exported by China. Other leading exporters were Namibia, Indonesia, and Egypt. This is not a very capital-intensive segment of the bamboo sector, and a lot of bamboo waste or unusable bamboo can be used for this. The level of technology required is also not very high.

## 5.6. Sanitary Applications

According to the report on doubling farmers' income, "bamboo fiber has natural effects of sterilization and bacteriostasis and is therefore widely preferred for manufacturing sanitary materials such as sanitary towel, gauze mask, absorbent pads and food packing". This technology intensive segment will also require nurturing in Odisha since there are no existing enterprises to draw experience from.

# 6. Enterprise Development in Bamboo

To tap the opportunities in bamboo sector, it is important to create enterprises that can set up business and business models to grab the market potential and create jobs and economic benefits for the society and state. Entrepreneurs, both large and small, individual, and institutional are key to the sustainability of the sector as they take risks and create opportunities for all.

In areas where not enough enterprises exist, there is a need to create more entrepreneurs and enterprises to strengthen the sector. For a successful model of enterprise development, support from the other actors in the ecosystem is equally important. These actors include government agencies, programs, producer networks, research institutions, business development service providers and training institutes amongst others.

FMC has supported enterprises in a range of sectors and in Odisha bamboo sector through a hub and spoke model, with Sambalpur as its hub. The details on some of the enterprise development ideas and opportunities in bamboo sector are shared in the next section of the report.

## 7. Enabling Institutions in Odisha

The bamboo sector is supported by several national and state level institutions on skill development, production, technology, infrastructure, marketing, enterprise promotion (MSME) and credit linkages amongst others. There are other important institutions and programs that provide indispensable support to the sector. Some of the key government programs are as follows:

### 7.1. Odisha Bamboo Development Agency

This agency has been set up by Government of Odisha in Forest Department. This is headed by the State Mission Director and looks after integrated development of bamboo sector. The objective of the agency is to promote the growth of the bamboo sector through an area based regionally differentiated strategy. It also helps to promote marketing of bamboo and bamboo- based industries.

### 7.2. Odisha Handicraft, Handloom and Textile Department

Odisha Handicraft, Handloom and Textile department is a state government entity formed with the objective of creating rural livelihood opportunities in crafts and handloom sector. It supports the bamboo artisans through raw material sourcing, training, designs, production support and marketing the produce such as furniture, lifestyle products, jewellery and incense sticks.

### 7.3. NABARD

An apex level development bank of Government of India aimed towards credit flow for promotion and development of agriculture, small-scale industries, cottage industries, handicrafts and other rural enterprises. NABARD supports bamboo farmers by enabling or providing credit support to them. NABARD in collaboration with JK paper decided to set up an Odisha Bamboo Resource Centre (OBRC) as a collaborative platform to take up research, advocacy and project implementation initiatives in the bamboo sector of Odisha.

### 7.4. ORMAS

Odisha Rural Development and Marketing Society – ORMAS is an autonomous body under Odisha Panchayati Raj Department, constituted under society registration act in the state to address the problems faced by rural producers / artisans under poverty alleviation programme of the Government. ORMAS supports them in adopting right technology, product diversification, packaging, branding and sales through different channel9s). the district body of ORMAS is known as District Supply and Marketing Society (DSMS) having its local facility at all the district headquarters of Odisha. ORMAS provides Skill Development Training, formation of Producer Groups and encouraging the artisans to participate in trade fairs & local exhibitions.

### 7.5. OLM

Odisha Livelihood Mission – OLM supports the women bamboo artisans by organizing them into groups, providing training and capacity building supports, financial support and marketing support through different state sponsored exhibitions. OLM helps the SHGs by way of providing Financial Assistance for procurement of Tools / Equipment, etc. and supports the artisans in participating trade fairs / exhibitions.



## **7.6. NIFT**

National Institute of Fashion Technology – NIFT is one of an apex institute in the area of fashion and design development, operational at state head quarter – Bhubaneswar provides three years full time bachelor degree in lifestyle and accessories design and sometimes caters to the design development needs of the bamboo clusters in Odisha. NIFT provides new designs / patterns in manufacturing of bamboo-based products.

## **7.7. DC-HC**

Development Commissioner – Handicrafts, through the crafts cluster of India initiative, Office of DC-Handicrafts, Ministry of Textiles, Govt. of India to show case different products made by cluster artisans across India. Artisans are provided with technical / marketing know-how for making these products by implementing agencies which are partnered by DC-HC for upliftment of these artisans. DC-HC provides Artisan Identity Cards, which will help the artisans to participate in the trade fairs / exhibitions at free of cost and also reimburse the travel cost to the artisans.

## **7.8. Rural Self Employment Training Institutes (RSETI)**

An initiative of Ministry of Rural Development, Government of India, they have dedicated infrastructure in each district to impart training and skill upgradation of rural youth geared towards entrepreneurship development. They are managed by banks with active co-operation from the central and state governments.

Some of the private institutions, social enterprises and not-for-profit entities which are actively working for enterprise development in the state are as follows:

## **7.9. Foundation for MSME Clusters (FMC)**

Foundation for MSME Clusters (FMC) is a not-for-profit organization known worldwide as a pioneer agency for the development of Micro Small and Medium Enterprises (MSMEs) with the help of cluster development approach. FMC has rich experience of working with MSMEs and has provided services in the areas of advocacy, implementation and coordination, training and research to more than 200 MSME clusters nationally and globally across 19 countries. FMC provides a broad range of project-based services to the MSMEs, their representative Industry Associations (IAs), Technical agencies, financial institutions/ Banks and Government (both state level and national level) across various thematic areas of specialization that include value chain development, productivity & competitiveness, energy efficiency, sustainable production and consumption, business development services (BDS), common infrastructure development and innovation. FMC has provided training and policy advisory services both nationally and internationally in MSME development and helped draft a number of schemes of assistance followed by training of policy makers & practitioners to then implement those schemes effectively. FMC is currently implementing two flagship projects supported by the European Union SWITCH Asia initiative and SAARC Development Fund and NABARD to promote bamboo as a sustainable resource and generate green jobs.

## **7.10. State Institute for Development of Arts and Crafts (SIDAC), Bhubaneshwar**

It helps in creating a constructive environment for promotion and development of the Handicrafts sector for preserving and promoting the cultural heritage of the State and to promote transfer of skills and their

up-gradation. It helps to conduct survey, studies and research in the field of Handicraft & publish and promote publication of literature on handicrafts.

#### **7.11. JK Paper Ltd., Rayagada**

Bamboo craft has created a sense of self-independence among 20 college-going girls in a tribal-dominated area in Rayagada district. The girls work under the aegis of Maa Santoshi Self Help Group (SHG) and are helped in the endeavor by Sparsh, an NGO that is the CSR implementing agent of JK Paper Mills. During the lockdown, these girls were sitting idle at home. With the help of Sparsh, they got this work. They underwent training on making of bamboo ornaments with the help of NIFT. Now, they can earn something and help their family financial. The girls use modern techniques to make bamboo jewellery such as hair clips, bangles, ear rings, neck laces, Raksha Bandhan, etc.

#### **7.12. Tata Steel Ltd., Kalinganagar**

As part of its endeavor to empower women to earn a living of their own, Tata Steel Rural Development Society is training womenfolk of several villages in and around Kalinganagar on the project "Bamboo support to the women for construction of bamboo shed". This was undertaken extensively during the lockdown period and subsequently involving more and more women. During the lockdown, women were unable to procure paddy. TSRDS took an initiative for doorstep delivery of seeds to ensure that they have a steady source of income. Supporting them with some bamboo and cement pillars at this time of the year helped them to build a low-cost mushroom shed, which will make their sheds strong and resilient against cyclones. These women will be part of LTP of livelihood program and will be also practicing other income generation activities".

## 8. Select Bamboo Product Profiles

### 8.1. Bamboo Water Bottle

The bamboo water bottle has immense potential as a substitute for plastics. They are eco-friendly, long-lasting, and superior to plastic bottles as they can keep the water cooler for longer periods even in summers.



Figure 8.1: Different Types of Bamboo Bottle

Source: Shutterstock

#### 8.1.1 Investment and Expected Returns

For an industrial set up to make bamboo bottles, the entrepreneur would need to invest around Rs. 25 Lakh including around Rs. 5 lakh working capital. The machines and components needed are a treatment tank, drying chamber, lathe machine, sanding machine and portable cross cutting machine.

#### 8.1.2 Market

Bamboo based water bottles have seen a steady rise in demand in the national as well as the international market.

Bamboo water bottles can be sold in retail and lifestyle stores such as Home Centre, Home Town, and IKEA. They are available on e-Commerce platforms such as Amazon and Flipkart. The product has good export potential to Europe, North America and Australia as the customer preference is aligned towards more sustainable and eco-friendly substitutes of plastics. Appreciation for such products is also growing in India, especially amongst the youth.

Apart from being utility products, use of such ecologically sustainable products is also seen as a style statement. This segment is driven mostly by social media - Facebook or Instagram. The sale and adoption of such products is highly dependent on references and recommendations. Thus, the entrepreneur needs to have access to markets in lifestyle retail chains, e-commerce, and export market. Needs to be good at social media sales as well.

## 8.2. Bamboo Barbeque Skewers

Bamboo barbeque skewers are popular with both vegetarian and non-vegetarian barbeque lovers across the world. Earlier iron skewers were used widely but is getting replaced fast by bamboo ones, creating a huge market potential in both domestic and exports markets. These are single use and affordable products having no negative impact on the environment. Studies have shown that food contamination in bamboo skewers is much less than steel skewers.



**Figure 8.2: Different Types of Barbeque Skewers**

Source: Shutterstock

### 8.2.1 Investment and Expected Returns

For an industrial set up to make bamboo skewers, the entrepreneur would need to invest 55 - 60 lakhs depending on the planned scale of the business, including 20 - 25 lakhs for working capital. The machines and components needed are bamboo cross cutting machine, splitting machine, slicer machine, stick making machine, skewer making machine and polishing machine and boiling tub. One can easily produce toothpick and chopsticks by the same production line by adjusting the machines or adding a single specific machine to the production line. Prashant Bamboo Machines, Arihant Engineering and Anil Enterprises are some of the suppliers of bamboo skewer machines. One can find machine suppliers from India and abroad on e-commerce portals such as India Mart and Alibaba.

### 8.2.2 Market

The bamboo skewer market is growing rapidly due to its cost effectiveness in comparison to stainless steel skewers. As single use products, they are more preferred in picnics and marriage parties. The local markets include hotels, dhabas, motels and town side caterers. They can also be marketed through wholesalers and retail outlets. They are also popular on Amazon and Flipkart. One may register on B2B portals such as India Mart, Trade India, and Alibaba for bulk orders across the country and globe.

### 8.3. Bamboo Straw

Bamboo Culms of *Melocana baccifera*, *Bambusa pallida* of 6-8mm or less diameter and 1-3 years of maturity suitable for making straw. In Jharkhand state branches of *Bambusa nutans* or *Bambusa tulda* could be alternative raw material as *M. baccifera* and *B. pallida* are unavailable. Bamboo straws are natural, eco-friendly, biodegradable, hygienic and chemical free substitutes for plastic straw. They are reusable if washed and dried properly.



Figure 8.3: Different Types of Barbeque Straw

Source: Shutterstock

#### 8.3.1 Investment and Expected Returns

A bamboo straw unit of 1 Lakh pieces per month would need an investment of approx. Rs. 2.8 Lakhs and working capital of Rs. 2 Lakhs for 30-day cycle. Major equipment required are grinding and sanding blade, oven, and straw cleaning brush.

#### 8.3.2 Market

Bamboo straw is the alternative option of plastic and paper straws and has high potential to grab a share of the existing straw market in India. It has an advantage over plastic as it is reusable and biodegradable. Government of India is set to impose a nationwide ban from 2nd October 2019 on six single use plastic items - plastic straw is one of them and can open high demand for bamboo straws. It would be in demand in restaurants, hotels, institutional canteens, corporate house staff canteens, juice bars, coastal area eateries, and eateries where consumers spend about 45 minutes to have beverages. Bamboo straws are better than paper straws as the latter can't withstand more than 5 minutes when dipped in liquid. There is scope of selling a few lacs of bamboo straw in a month through B2B sales.

E-commerce platforms viz. Amazon, Alibaba, Flipkart are already placing bamboo straws as part of their assortment. The product has significant export potential. In the US 500 million straws are used daily. The US and European countries are shifting to sustainable environmentally friendly products and enquiring about single use plastic substitutes. The European Union plans to ban the single use of plastic straws by 2021.

## 8.4. Bamboo Murha

The '**Murha**', also spelt as **muda, moodha, muddha** is a traditional handcrafted bamboo stool. Bamboo is used in the body while cane is used in binding as well as weaving the seating part. The Murha gets its strength to support huge loads from the elaborate binding details embedded on it. The patterns are created with the artisan's own inventive ideas and skills without using any traced designs. Weaving of stool (Murha) is manually done by experienced artisans. The durability, low weight, easy maintenance, and portability of the furniture further increase its appeal.



Figure 8.4: Different Types of Bamboo Murha

Source: Shutterstock

### 8.4.1 Investment and Expected Returns

As a household micro enterprise, the tools required are very basic in nature. Only a machete / dao and knife is needed in order to crosscut the bamboo, split it and to make sticks out of the splits. The investment needed is thus, less than Rs. 50,000 even considering the working capital requirement. If the objective is to start the enterprise at a large scale with hired labour, then an investment of Rs. 18 Lakh (*including working capital*) is needed. The necessary machinery can be easily procured from any of the Indian manufacturers. The financial estimates are given below:

### 8.4.2 Market

Murha is a versatile product with stable demand in local markets and is gaining in popularity across retail outlets and e-commerce platforms.

While the local market is indifferent to the material being used to make the Murha, the retail market (both brick and mortar stores as well as e-commerce retail platforms) show preference for natural fibres like cane being used in place of plastic. Apart from cane, water hyacinth and water reed can also be used as weaving material. Modern retail has good demand for such innovative products. The Murha can be combined with leather and furnished with cushions to provide more value-added options for the national markets. Such innovative products will also have export potential.

E-Commerce platforms like Pepperfry.com and Amazon.com feature Murhas in their marketplace and these products are listed upward of 1500 rupees in these platforms. Similarly, European furniture websites also feature the traditional Murha as one of their many offerings fetching close to 35 Euros per Murha (Around Rs 2,600).

## 8.5. Office Utility Products (Woven)

Bamboo being a woody grass, with strong fibre is one of the best natural materials for making mats and baskets. As green substitutes, there is increasing demand for bamboo-based office utility products such as Paper bins, Files, Folders, Pen-stand etc. Suitable species are *Bambusa nutans*/ *Bambusa tulda*.



**Figure 8.5: Paper Bins, Pencil Box, Magazine Holder made of Bamboo (From Left)**

Source: Shutterstock

### 8.5.1 Investment and Expected Returns

For an industrial set up to make Bamboo Office Utility Products, investment of 6.5 to 8.5 Lakhs (including 2.5 - 3.5 lakh working capital) is needed depending on the scale of business. The machines could be used by vendors such as Anil Enterprises in Dewas (MP).

### 8.5.2 Market

Due to its environmentally friendly benefits, overall demand for bamboo products is increasing. Government offices, such as Forest and Environment departments are deciding to use bamboo-based office utility products. Students are also showing preferences towards such products and in general people are becoming aware and prefer green bamboo products to non-biodegradable products. This leads towards a large market potential for bamboo-based office utility products like paper bins, file folders pen-stands, pencil boxes etc. and more options likely to emerge in future.



## 8.6. Round Bamboo Furniture

Round bamboo furniture or the traditional bamboo furniture are seen as low-cost substitute to wooden furniture. The aesthetically designed ones have found a resurgence in demand for interior decoration, use in gazebos, resorts, and lawns. They can outlast wooden furniture and fetch good price in the market, making it a lucrative business.



**Figure 8.6: Lounge Chair, Bed-Side Table, Coffee Table made of Bamboo (From Left)**

Source: Shutterstock

### 8.6.1 Investment and Expected Returns

Investment of Rs. 10 - 25 Lakhs including Rs. 5 - 6 lakh working capital is required. Machines needed are pressure treatment plant, LPG blow torch with accessories, straightening wooden column, angle grinder or knot removing machine and portable cross cutting machine.

### 8.6.2 Market

In 2006, the furniture market of India was estimated at Rs. 35,000 crores. Considering that with the emergence of growth factors like (i) product innovations; (ii) organized retail showrooms (IKEA, Home Town, Home Centre etc.); (iii) advent of e-commerce like Pepper Fry, Urban Ladder, etc. and (iv) organized furniture rental providers such as Furlenco and Rentomojo; the markets have transformed and grown bigger. Around 15 % of the market is in the organized sector, catered by companies such as Godrej & Boyce Manufacturing Co. Ltd., BP Ergo, Featherlite, Zuari, etc.

To meet emerging demand in national and exports market, the entrepreneur will need to develop knock-down or DIY versions of the products for easier storage, packaging, and transportation. Those would require different designs, accessories, and production systems. According to investments in business may vary.



## 8.7. Toothpick

The bamboo toothpick is preferred over wood as a raw material for the product due to fast growth of bamboo and easy availability.



**Figure 8.7: Toothpicks made of Bamboo**

Source: Shutterstock

### 8.7.1 Investment and Expected Returns

To set up a full-fledged semi-automatic or fully automatic bamboo toothpick making production line, 7 basic machines are required. These can be procured from suppliers from India, Vietnam, or China. Prasant Bamboo Machines and Anil Enterprises are few suppliers in India.

The likely capital investment for the production line shall be around 45-50 lakhs depending on the scale of production, excluding working capital for one month of around 20 lakhs. The same production line can be used for making products such as bamboo skewers and chopsticks by adding machines needed to make them. The estimates of the investment and expected returns are as given below:

### 8.7.2 Market

Bamboo toothpick is one of the hot selling bamboo products in domestic and international markets with a stable and increasing demand. Food points, restaurants, hotels have a regular bulk demand for the product. To reach more bulk buyers across the nation and globe the unit may be registered under different B2B online platform like India Mart, Go for Global, Trade India and Exporters India. For retailing, online platforms like Flipkart, Amazon, Paytm, Nature Baskets, Grofers can be very useful. Offline sales promotion can be done to create a regular business channel in the local and intra-state market. Social networking sites like Facebook and Instagram may be also used to target retail customers.

## 8.8. Contemporary Basket Products

Bamboo is very suitable for making Basket & Basketry items, which are in demand as they are green packaging substitutes. In Dumka Bamboo Cluster of Jharkhand *Bambusa nutans* or *Bambusa tulda* are ideal to make products like storage bins, fruit / packaging baskets etc.



**Figure 8.8: Bamboo Gift Box & Storage Basket**

Source: Shutterstock

### 8.8.1 Investment and Expected Returns

An industrial set up to make basketry packaging items, would need investment of 6-7.5 Lakhs (including around 3-3.5 Lakhs for working capital) depending on the planned scale of his business. The machines and components required can be obtained from vendors such as Anil Enterprise in Dewas (MP).

### 8.8.2 Market

Using bamboo instead of plastic helps significantly reduces our carbon footprint and creates market opportunity. In terms of uses, it is already playing a leading role addressing the needs of basketry and packaging solutions and other utility items with more options likely to emerge in future.

## 8.9. Bamboo Shoots

Bamboo Shoots are the young, edible bamboo plants, generally 20-30 cm long, tapering at one end. They are consumed as food items after harvesting and form a traditional delicacy of many countries such as China, Japan, Thailand, Bhutan, Korea, and India (particularly Eastern and Northeast India). Bamboo shoots have high nutritional values - are low in cholesterol and saturated fats (total fats 0.5%), and high in carbohydrate (5.7%), protein (3.9%), minerals (1.1%) and moisture (88.8%). With 17 types of Amino acids, it contains 10 types of mineral elements – Co, Cr, Zn, Mn, Mg, Ni, Co, Cu etc.



**Figure 8.9: Raw Bamboo Shoot, Cleaned Bamboo Shoot, Processed & Packaged Bamboo Shoot**

Source: Shutterstock

### 8.9.1 Investment and Expected Returns

- The project is conceived for single shift basis of 8 hours / day and 60 working days in one shooting season.
- Raw and freshly harvested bamboo shoot requirement is 2 tonnes per day. Bamboo Shooting Season is assumed at 60 days in a year. Price of fresh bamboo shoots is considered at Rs 60 / kg.
- Finished and packed bamboo shoots production is 3 tonnes per day, 90 tonnes of annual production and sales in 1 year.
- 8 LPG commercial gas cylinders are required in a month.
- The selling price is assumed at Rs 120 to Rs 130 per kg.
- The shelf life of the vacuum-packed bamboo shoots is 90 days.

### 8.9.2 Market

Bamboo Shoots whether processed or raw have a good demand for its nutritional value but are not readily available in the metros, Tier 1, and Tier 2 cities. There are hardly any organized bamboo shoots processing facility in India to address the needs and standards of global markets.

Vacuum Packed Bamboo Shoots can be sold in the vegetable markets as well as in local grocery stores and department stores for household use. Marketing networks needs to be developed through distributors and retailers. The Chinese and Thai restaurants require good quality bamboo shoots and sourcing for these institutions is difficult during non-shooting season. These establishments can be tapped for bulk marketing of vacuum-packed bamboo shoots.

## 8.10. Bamboo Toothbrush

Bamboo handle-based toothbrushes can reduce plastic pollution caused by plastic toothbrushes. They are already in use in Sweden, USA, and China due to natural, eco-friendly, biodegradable handle.



**Figure 8.10: Different Types of Bamboo Toothbrush**

Source: Shutterstock

### 8.10.1 Investment and Expected Returns

Bamboo toothbrush handle making unit needs capital investment of Rs 25-30 Lakhs with working capital provision of 5-7 Lakhs. Machines for making bamboo handle are available in India. This industry requires mainly semi-skilled workforce. 3 phase power supply, proper work shed, wide metaled road are minimum basic facilities required to establish the unit. The estimates of the investment and expected returns are as given below:

### 8.10.2 Market

Bamboo toothbrushes are already in use in India, though at very low scale due to lack of awareness and price. Their uniqueness lies in the raw material itself and after its use. Plastic production from petrochemicals is polluting the environment, whereas bamboo absorbs CO<sub>2</sub> and releases 35% more O<sub>2</sub> in the environment. Plastic brushes are non-degradable (even in 100 years) and source of 2<sup>nd</sup> largest plastic waste materials worldwide, whereas bamboo toothbrushes degrade in few years.

In India 150 million plastic toothbrushes are thrown to garbage every month. In India, the current monthly demand for bamboo toothbrush handles is around 1 Lakh pieces. It indicates changing practice and increasing use of bamboo toothbrushes. Rs. 6 per bamboo toothbrush handle will reduce the cost of the final product and will encourage and appeal to more people to use them.

Humble Brush, Earth's Daughter, Bmbu, Modest Planet, Wowe are few existing brands selling bamboo toothbrush internationally through e-commerce platforms viz. Amazon, Alibaba, Flipkart etc. Toothbrushes are sold single piece and family pack.

## 8.11. Bamboo Cutlery

Bamboo Cutlery is a sustainable replacement for plastic cutlery products, with net zero carbon emissions in production, easily bio-degradable, and having no harmful effects on biodiversity. A variety of cutlery products can be produced from bamboo including spoons, forks, plates, chopsticks, etc.



**Figure 8.11: Disposable Cutlery, Cutlery Travel Set, Premium Cutlery made of Bamboo**

Source: Shutterstock

### 8.11.1 Investment and Expected Returns

Total project cost is INR 36,48,244. The Investment for machinery and fixed capital is INR 35,07,934. The working capital requirement is INR 1,40,310. Total turnover of cutlery is projected at INR 32.5 lakhs. The turnover of Glasses and cups is projected at INR 20 lakhs. (Assuming prices 110 and 70 respectively).

### 8.11.2 Market

Recently the Airport Authority of India, fast food giants like KFC's, McDonald' s have decided to cease usage of plastic disposables and opt for biodegradable cutleries. In disposable cutlery, spoons account for 55% of the global market, which is around USD 881 million (Source: Future market insight). The retail sales channel of disposable cutlery primarily targets social gatherings such as marriages, social club meetings and community get-togethers, etc. Institutional buyers include restaurants, event management companies, ice cream companies, temples and government and private canteens across the country. Online portals like India Mart, Amazon, Snap deal etc. can also be explored.

## 8.12. Incense Sticks

Incense sticks (*agarbattis*) are popularly used in many Indian households and religious places. It serves religious purposes and is also used for its aromatic properties. It is widely used on auspicious occasions, festivals, and social celebrations. Bamboo is an important raw material for making incense sticks and thin pieces of sliced bamboo are used for this purpose.





**Figure 8.12: Bamboo Sticks for Producing Incense Sticks, Different Types of Incense Sticks (from left)**

Source: Shutterstock

### 8.12.1 Investment and Expected Returns

The total project cost is Rs.26,64,425, including the cost of machinery, construction, working capital and other costs (preliminary, furniture & contingency). The working capital for one cycle is estimated to be Rs.7,66,825.

The manufacturing unit will have three types of machines- powder mixing machines (2), automatic agarbatti making machine (8) and dryer (2). Proposed machines can produce 450 kg (Assuming 56.5 Kg/Hr.) finished products in one day shift of 8 Hrs. for which 100 Kg raw bamboo sticks (1.3 mm /8 Inch size) and 350 Kg of premix powder is required.

### 8.12.2 Market

The agarbatti of 1.3 mm round sticks have a large and ready market. The approx. market size is Rs.10,000 crores annually and Madhya Pradesh has become the hub of agarbatti production in the country and almost all the major brands have manufacturing base in Madhya Pradesh. The incense stick of 1.3 mm is the main ingredient of agarbatti and has excellent market within the state. Besides, there is huge market potential market outside Madhya Pradesh as well.

The product will mostly be sold locally to wholesalers/distributors and perfumers in Bhopal where 80-100 such units are functional and remaining could be sold to incense stick wholesalers/distributors in Sehore and Vidisha in Madhya Pradesh. The entrepreneur has in principle agreed to tie up with Mahakaal Traders, in Bhopal to sell of 10-20% of finished products. Besides, the product could also be sold under Khadi Gramodyog Vidhyanchal yojana where retail outlets are established by department. The requirement of wholesalers and distributors will be explored and enlisted as the business and production will be streamlined.

## 9. Bamboo Sector Development Projects – FMC

### 9.1. Promote Bamboo MSME Clusters for Sustainable Development

#### 9.1.1 About the Project

- More than 5 million people, half of them being women in the tribal regions across 18 states out of the 29 states of India where abundant quantity of bamboo is available as a resource for their livelihoods.
- However, in the bamboo processing and product manufacturing segment, the number is likely to be around 3 million only.
- While this bamboo resource has been augmented by a range of public initiatives but not sufficiently harnessed in terms of its market applications.
- There is a huge scope for replacement of less sustainable resources and for creation of green jobs by effectively harnessing bamboo by upgrading existing products and introducing new products duly linked with markets.
- For this FMC with its Partners has designed a customized, coordinated and converged local action that integrates a package of inputs through a strong self-sustainable local eco-system under the SWITCH ASIA Umbrella and implementing the project in 9 states in India.

#### 9.1.2 Project Partners with FMC

- **SIDBI:** Small Industries Development Bank of India (SIDBI) is the principal financial institution in India for promotion, financing and developing of MSMEs. Mission Swavalamban of SIDBI is promoting an entrepreneurial culture to stimulate a mindset shift among youth from ‘job seekers’ to ‘job creators’, restrict rural-urban migration and promote sustainable local livelihood.
- **CEMCA:** CEMCA serves as the regional units of the Commonwealth of Learning, Vancouver, Canada and promotes the meaningful, relevant, and appropriate use of media and technology to serve the educational and training needs of Commonwealth member states of Asia. CEMCA works actively in two major sectors – Education and Skills.
- **CBS:** Copenhagen Business School (CBS) is a public university situated in Copenhagen, Denmark and is internationally known for its expertise in business and sustainability.

#### 9.1.3 Expected Outcomes of the Project

- 2250 MSMEs which 40% are women owned, start/expand bamboo product supply worth.
- 25.3 million Euros to existing/new markets, impacting 10,000 livelihoods (more than 50% women) through new income to the tune of 13 million Euros.
- Improved OHS and social security.
- At least 20 successful business start-ups making innovative & high impact making products grounded and connected with the large-scale institutional buyers.
- 9 local Facilitating agencies (FAs) provide services beyond Action, 50 Producer networks (PNs) created are vibrant, 9 CFCs created/ strengthened, 20 equipment/ inputs suppliers and 140 BDSPs provide strategic services sustainably.
- At least 10 FIs provide credit through cluster financing instruments to 2250 MSMEs worth 9 million Euro
- 200 Policy makers from SAARC countries sensitized and 9 Indian states initiate replication of

similar intervention models.

#### 9.1.4 Project Coverage

- **Assam:** Hub – Guwahati, Kamrup, Spoke – Nalbari, Barpeta, Areas in Upper Assam
- **Arunachal Pradesh:** Hub – Itanagar, Spoke – Papum Pare
- **Chhattisgarh:** Hub – Bilaspur, Spoke: Gariabandh, Mahasamund
- **Jharkhand:** Hub – Dumka, Spoke – Deogarh, East Singhbhum
- **Madhya Pradesh:** Hub – Betul, Spoke - Chindwara
- **Meghalaya:** Hub – Shillong, Spoke: East Khashi Hills, West Jaintia Hills
- **Mizoram:** Hub – Aizwal, Spoke : Kolasib
- **Odisha:** Hub – Sambalpur, Spoke: Sonepur, Balangir, Bargarh, Anugul
- **Tripura:** Hub – West Tripura, Spoke : North Tripura



## 9.2. Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries - India Component

### 9.2.1 About the Project

- To promote bamboo-based enterprises for income generation and employment opportunities across harvesting to production and then marketing.
- The development model is based on the identification of key stakeholders and their key challenges across the value chain. The creation of sustainable high value economic opportunities will directly improve the quality of life for farmers, artisans, micro & small enterprises, designers, traders, and exporters.
- The project mainly focuses on 4 categories of products: Handicraft, Furniture, Housing & Construction, and lifestyle products.
- The project activities mainly include pre-implementation activities such as baseline surveys, establishment of a near-source common facility centre (CFC), training on bamboo production, harvesting and post-harvest processing, design and product development, skill based trainings i.e., training of trainers and skilling of artisans, enhancing market and finance access.

### 9.2.2 Project Partner with FMC

- **NABARD** : National Bank for Agriculture and Rural Development (NABARD) is an apex regulatory body for overall regulation of regional rural banks and apex cooperative banks in India. It is under the jurisdiction of Ministry of Finance, Government of India. The bank has been entrusted with "matters concerning policy, planning, and operations in the field of credit for agriculture and other economic activities in rural areas in India". NABARD is active in developing and implementing financial inclusion.

### 9.2.3 Project Coverage

- **Meghalaya:** Hub – Ri Bhoi
- **Jharkhand:** Hub – Dumka



## 10. FMC's Role in Odisha

In the last 4 years of intervention in Odisha, FMC has created/expanded multiple bamboo-based units through bank linkages, market linkages etc. FMC's team and the facilitating agency based in the state imparted various trainings, created producer network, helped the artisans in loan applications, business plans for loans, generated market orders and helped the artisans in execution etc. The project also oriented various bankers, NBFCs, Micro finance institutes etc. to get the units the required loans to set up and expand micro bamboo-based units. Upliftment of women in the targeted states focus area under the project.

### 10.1. Micro Challenges faced in the Cluster and Steps taken

During the inception of the project, it was realized that the clusters was facing issues related bank linkages, market linkage, products being produced were traditional products and most of the artisans were working individually catering to local and regional markets only with limited access of loans, contemporary market. The bamboo clusters/units were isolated, and bankers lacked awareness about the potential of bamboo-based units. Various interventions were done including skill development trainings to ensure the products being produced can cater to tier-1 and metropolitan markets, along with that various banker's working in the area were oriented and sensitized about the bamboo-based artisans/units to ensure the availability of working capital required and investments required for the units.

### 10.2. Major learnings and Way Forward:

The major learning from the intervention was that the bamboo based contemporary products has huge potential in the tier-1 and metropolitan markets and the clusters requires proper supply chain development, further design supports and further market linkages with various bamboo-based brands being established in the country like Woody grass, Bamboo Pekker etc. These common issues faced majorly by the unorganized sector is lack of proper supply chain, quality control, fixtures, moulds, etc. to ensure all the products produced are of same size, quality etc. to cater to the orders received from established companies. The project is working towards establishing a buying hub to ensure the correct and proper execution of orders received. A multi stakeholder bamboo-based knowledge platform has been developed to connect all the stakeholders associated with the bamboo. The project will focus on registration of all the units, artisans, and producer networks on this portal to ensure the sustainability of the intervention even after the end of the project.

### Case Study: Sasmita's Story of Empowerment through Diversification

*The quaint village of Kilasama in Sambalpur district, Odisha had never witnessed the latest handiwork of Sasmita. The bamboo artisan had been busy making rectangular frames from thin layers of bamboo, tufting them with layers of dried grassroot. Traders from near and afar would frequent the village to collect her produce. Inquisitive of the developments, a group of artisans visited Sasmita Bhue's home in October 2020 - learning that her new product was a cooling pad, a necessary component for air-coolers.*

*Sasmita Bhue, a 27-year-old bamboo artisan used to weave a number of traditional bamboo basketry including winnowing trays, seeding baskets, ritual baskets and even cages for hens and other livestock. Working as per seasonal demand, Sasmita hardly earned Rs. 15,000 a year. The onset of the Covid pandemic in March 2020 led to a fall in demand for bamboo basketry used in local rituals and marriages, leaving her with negligible income to support her family.*

*Air-coolers make a significant part of the household across the states of Chhattisgarh, Madhya Pradesh, Uttar Pradesh and Delhi. The appliance reduces room air temperature during summer periods of arid heat wave. A necessary component of these air-coolers are cooling pads, which are made of dry grass in a bamboo framework. Artisans have to work from October to April, so that traders can supply throughout the summer months, when the demand for cooling pads are significantly high. Sasmita was introduced to the craft of cooling pad manufacturing, when she attended a training workshop under FMC's "Promote Bamboo MSME Clusters for Sustainable Development" project. A quick learner, Sasmita soon started manufacturing these cooling pads. FMC was soon able to link her with traders from both Odisha and Chhattisgarh and also facilitated a working capital loan of Rs 10,000. FMC further trained her to maintain proper accounts, improving her financial efficiency. She also received assistance in obtaining an Artisan card from DC Handicrafts, which would enable her to avail beneficial schemes in the future.*

*Within a period of 6 months, Sasmita was able to sell cooling pads worth Rs 1,00,000 earning Rs 50,000 in profits. Sasmita, together with her husband, is determined to sustain the growth by maintaining product quality and on-time deliveries. The opportunity has allowed her to save Rs 1500 per month for her daughter's future. She also sets aside the surplus income in her savings bank account to accommodate for future expenses, especially for health care -accumulating Rs 12,000 so far. Learning from her success, 20 more artisans from the village have taken up the cooling pad manufacturing, and are also experiencing similar growth. Sasmita's story is a leading example of how a tryst between artisanal skill and product innovation can bring about holistic development in the poverty nodes of India.*

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## About FMC

Foundation for MSME Clusters (FMC) is a not for profit organisation. FMC specialises in promoting MSMEs in clusters by creating, promoting and capacity building enterprises, networks of enterprises and strengthening their ecosystem. During the last 15 years of its existence FMC has worked in over 250 clusters in India and 18 other countries across the world.

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