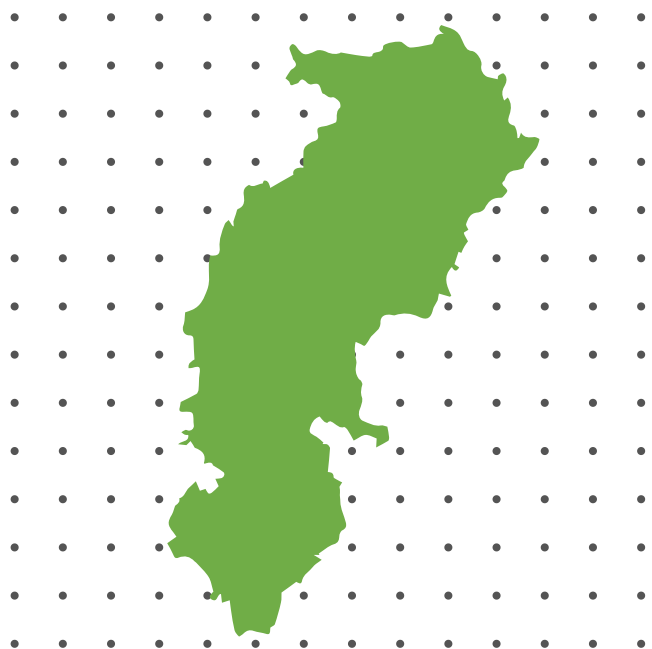


Bamboo Resource Status & Business Opportunities in Chhattisgarh



Issued by:
Foundation for MSME Clusters

October, 2022

This page has been intentionally left blank

Bamboo Resource Status & Business Opportunities in Chhattisgarh

Technical Inputs

Mr. Mukesh Gulati, Dr Tamal Sarkar, Mr. Sanjeev Karpe

Published by

Foundation for MSME Clusters

USO House, 2nd Floor, USO Road, 6, Special Institutional Area,
New Delhi 110067

Disclaimer

This publication has been produced under the Action: “Promote Bamboo MSME Clusters for Sustainable Development” with the financial assistance of the European Union and Department of Commerce and Industries, Government of Chhattisgarh.

The contents of this publication are the sole responsibility of the authors and can in no way be taken to reflect the views of the European Union or Department of Commerce and Industries, Government of Chhattisgarh, or any of the partners.

Any part of this report can be reproduced, used, or transmitted, in any form or by any means with due acknowledgement.

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 Chhattisgarh and explore opportunities to add value to the lives of thousands of people who depend on bamboo for their livelihoods.

Table of Contents

List of Tables	1
List of Figures	1
1. Bamboo – An Overview	2
1.1. Production in India	2
1.2. Production in Chhattisgarh	3
2. Uses of Bamboo	4
2.1. Craft and Lifestyle Products	5
2.2. Furniture	5
2.3. Construction Material and Housing	5
2.4. Utilities	6
2.5. Food	7
2.6. Fabric and Fashion	7
2.7. Carbon Sequestration and Renewable Energy	7
3. Bamboo Craft in Chhattisgarh	8
3.1. Bamboo Resources of the State	8
3.1.1 Natural Bamboo Resources	8
3.1.2 Homestead Bamboo Resources	8
3.2. Bamboo Artisans and Clusters	8
3.2.1 Economic Condition of Artisans	8
3.2.2 Seasonality of Bamboo Work	9
3.2.3 Bamboo Clusters	9
4. Bamboo and Economic Development	10
4.1. India's Share in International Trade	11
4.2. Chhattisgarh's Share in Exports and National Markets	12
4.3. Key Issues with Bamboo Sector	12
4.4. SWOT Analysis	12
5. Opportunities in the Bamboo Sector	13
5.1. Housing and Construction	13
5.2. Boards and Panel	13
5.3. Food	13
5.4. Crafts and Utilities	13
5.5. Energy	14
5.6. Sanitary Applications	14
6. Enterprise Development in Bamboo	14
7. Enabling Institutions in Chhattisgarh	15
7.1. Chhattisgarh Handicraft Development Board	15
7.2. Chhattisgarh State Bamboo Mission	15
7.3. NABARD	15

7.4. CSLPS.....	15
7.5. Rural Self Employment Training Institutes (RSETI).....	15
7.6. Foundation for MSME Clusters (FMC).....	16
7.7. Evangelical Social Action Forum (Aide et Action).....	16
7.8. Community Advancement and Rural Development Society (CARDS), Raipur	16
8. Select Bamboo Product Profiles	17
8.1. Bamboo Water Bottle	17
8.1.1 Investment and Expected Returns	17
8.1.2 Market	17
8.2. Bamboo Barbeque Skewers	18
8.2.1 Investment and Expected Returns	18
8.2.2 Market	18
8.3. Bamboo Straw.....	19
8.3.1 Investment and Expected Returns	19
8.3.2 Market	19
8.4. Bamboo Murha.....	20
8.4.1 Investment and Expected Returns	20
8.4.2 Market	20
8.5. Office Utility Products (Woven)	21
8.5.1 Investment and Expected Returns	21
8.5.2 Market	21
8.6. Round Bamboo Furniture.....	22
8.6.1 Investment and Expected Returns	22
8.6.2 Market	22
8.7. Toothpick.....	23
8.7.1 Investment and Expected Returns	23
8.7.2 Market	23
8.8. Contemporary Basket Products	24
8.8.1 Investment and Expected Returns	24
8.8.2 Market	24
8.9. Bamboo Shoots.....	25
8.9.1 Investment and Expected Returns	25
8.9.2 Market	25
8.10. Bamboo Toothbrush.....	26
8.10.1 Investment and Expected Returns	26
8.10.2 Market	26
8.11. Bamboo Cutlery	27
8.11.1 Investment and Expected Returns	27
8.11.2 Market	27
8.12. Incense Sticks	27

8.12.1 Investment and Expected Returns	28
8.12.2 Market	28
9. Bamboo Sector Development Projects – FMC.....	29
9.1. Promote Bamboo MSME Clusters for Sustainable Development	29
9.1.1 About the Project.....	29
9.1.2 Project Partners with FMC	29
9.1.3 Expected Outcomes of the Project	29
9.1.4 Project Coverage	30
9.2. Promoting Integrated Bamboo Based Enterprise Development among SAARC Countries - India Component.....	30
9.2.1 About the Project.....	30
9.2.2 Project Partner with FMC	30
9.2.3 Project Coverage	30
10. FMC’s Role in Chhattisgarh	31
10.1. Micro Challenges faced in the Cluster and Steps taken	31
10.2. Major learnings and Way Forward:	31

List of Tables

Table 1.1 Bamboo Production in Chhattisgarh – Key Statistics	3
Table 3.1 Bamboo Resources in Chhattisgarh – Major Districts	8
Table 3.2 Seasonality of Bamboo Work among Artisans	9
Table 3.3 Key Bamboo Clusters of Chhattisgarh	9
Table 4.1 Bamboo Trade Statistics – India & China	11
Table 10.1 Key Output from Projects in Bamboo Sectors	31

List of Figures

Figure 1.1 Area under Bamboo Coverage	2
Figure 1.2 Bamboo Growing Stock	3
Figure 1.3 Bamboo Bearing Area of Select States in India	4
Figure 2.1 Consumption Distribution of Bamboo and Bamboo Products	4
Figure 2.2: Bamboo Tray, Lamp Shade, and Table Runners (Left to Right)	5
Figure 2.3: Bamboo Coffee Table, Bed-Side Table, and Cabinet (Left to Right)	5
Figure 2.4: Architectural Structures made of Bamboo	6
Figure 2.5: Bamboo Cutlery, Winnowing Tray, and Laundry Basket (Left to Right)	6
Figure 4.1 Value Created by Bamboo Sector	10
Figure 4.2 Employment from Bamboo Sector	10
Figure 8.1: Different Types of Bamboo Bottle	17
Figure 8.2: Different Types of Barbeque Skewers	18
Figure 8.3: Different Types of Barbeque Straw	19
Figure 8.4: Different Types of Bamboo Murha	20
Figure 8.5: Paper Bins, Pencil Box, Magazine Holder made of Bamboo (From Left)	21
Figure 8.6: Lounge Chair, Bed-Side Table, Coffee Table made of Bamboo (From Left)	22
Figure 8.7: Toothpicks made of Bamboo	23
Figure 8.8: Bamboo Gift Box & Storage Basket	24
Figure 8.9: Raw Bamboo Shoot, Cleaned Bamboo Shoot, Processed & Packaged Bamboo Shoot	25
Figure 8.10: Different Types of Bamboo Toothbrush	26
Figure 8.11: Disposable Cutlery, Cutlery Travel Set, Premium Cutlery made of Bamboo	27
Figure 8.12: Bamboo Sticks for Producing Incense Sticks, Different Types of Incense Sticks (from left)	28

1. Bamboo – An Overview

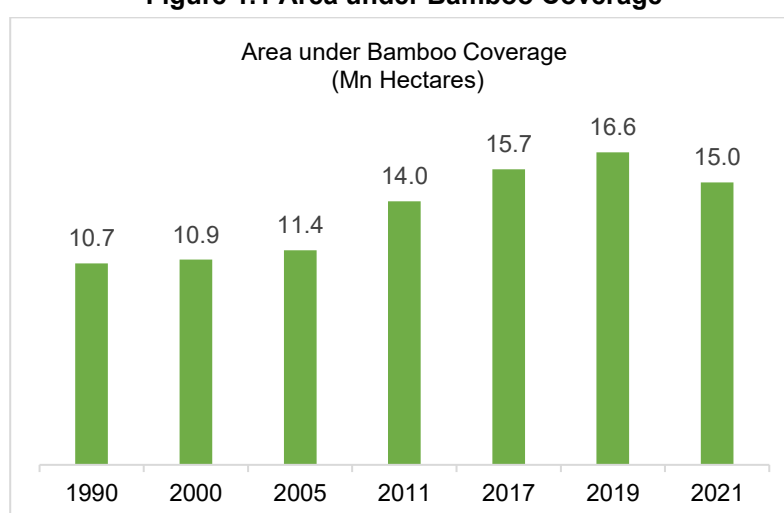
Bamboo is an essential resource in the Indian economy and has been a significant part of the India's culture and way of life, particularly in rural India. Given its many applications and adaptability, it is also frequently referred to as "green gold" and "poor man's timber." It is a member of the Gramineae (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.

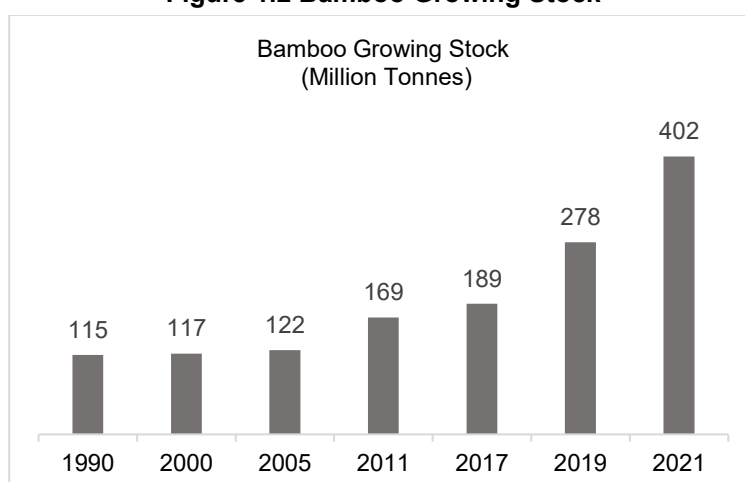
1.1. Production in India

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 Chhattisgarh

In 2021, Chhattisgarh ranked 6th in area under bamboo cultivation amongst Indian states at 10.5 Lakh hectares and had a stock of 167.8 Lakh tonnes, which is 4.2% of the total stock of the country. The key statistics of bamboo growing stock in Chhattisgarh is given in the below table and charts:

Table 1.1 Bamboo Production in Chhattisgarh – Key Statistics

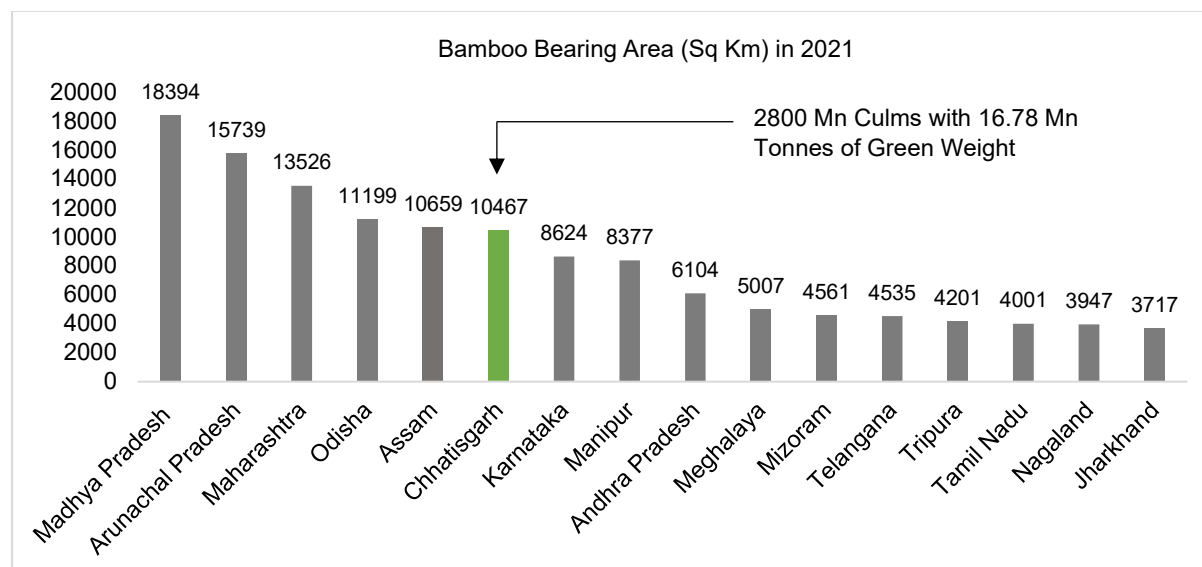
Indicator	Growing Stock	Share of India
Bamboo bearing area within the forest (Sq. Km)	10,467	7.0%
Total number of Culms (million)	2,800	5.2%
Total green weight equivalent of Culms ('000 tonnes)	16,780	4.2%

Source: Forest Survey of India

Despite a medium production base, bamboo cultivation has witnessed great progress in Chhattisgarh. Compared to the 2019 levels, the total bamboo stock in the state in 2021 grew 43% from 117.4 Lakh tonnes to 167.8 Lakh tonnes. The bamboo bearing area decreased by 7% from 11.2 Lakh hectares to 10.5 Lakh hectares during the same period. At the density level, this shows a remarkable increase from

2114 bamboo culms per hectare to 2800 culms per hectare, which is a growth of 32.4%.

Figure 1.3 Bamboo Bearing Area of Select States in India



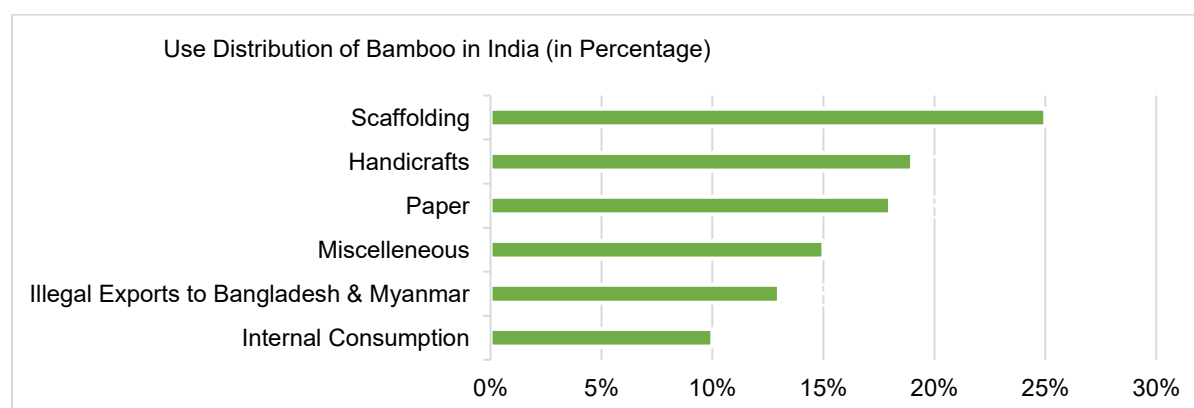
Source: Forest Survey of India

2. Uses of Bamboo

In Chhattisgarh, bamboo holds a special place in the lives of the people. For centuries, bamboo has been used for making fishing nets, in building homes, baskets, kanwad (load carrying poles), musical instruments and for food. Bamboo forms the basis of livelihood for the Basor community who make a living crafting object made with bamboo. Baskets and other utilities crafted by them are bartered in exchange for grain as part of 'gotia' client-patronage relationships with farmers.

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 Chhattisgarh

3.1. Bamboo Resources of the State

Chhattisgarh is rich in sylvan resources and most of its forests are richly stocked with bamboos of various species. The predominant species are *Dendrocalamus Strictus*, called Desi Bans (found in 80% of natural forests) and *Bambusa* Bamboos.

3.1.1 Natural Bamboo Resources

According to the Chhattisgarh State Bamboo Mission, 6 districts cover 9% of total Bamboo Overlapping Area within the forest area. Districts with a high percentage of areas under bamboo in the forests are Bastar, Bilaspur, Raigarh, Durg, Rajanandgaon and Raipur.

Table 3.1 Bamboo Resources in Chhattisgarh – Major Districts

Districts	Forest Area (in Ha.)	Bamboo Over Lapping Area (ha)	% of forest Area
Bastar	423300	88900	21%
Bilaspur	153700	9840	6.4%
Raigarh	262000	14150	5.4%
Durg	77600	2330	3%
Rajanandgaon	253500	10140	4%
Raipur	362900	10890	3%
Total	15,33,000	1,36,250	8.9%

Source: Chhattisgarh State Bamboo Mission & FSI'19-Cht

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 Chhattisgarh are *D. Strictus* and *B. Bambos*.

3.2. Bamboo Artisans and Clusters

Being predominantly a tribal state, Chhattisgarh is a confluence of several tribes and cultures, and this is reflected in its traditional handicrafts as well. Even till date, the artisans maintain age old traditional style and methods of production. Over time many interesting handicraft forms have emerged, like metal crafts, pottery, jewelry, paintings, and woodcrafts.

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 Craft Cluster of India and Cluster Observatory set up by the Foundation for MSME Clusters (FMC) www.clusterobservatory.in, there are 5 bamboo clusters in Chhattisgarh. They have been mapped with select details as given in the following table:

Table 3.3 Key Bamboo Clusters of Chhattisgarh

#	Cluster Name	District	Artisan No.	Major Products	Specialization
1	Korba Cluster	Korba	903 + artisans	Lamp Sheds, Pen/Pencil Holder, Bottle, Baskets, Tea Plates, Utility Items, Décor Products.	Lamp Sheds & Utility Item
2	Jagdalpur Cluster	Bastar	237 + Artisan	Cup Tray, Showpiece, Hand Fan, Table Lamp	Showpiece, Hand Fan
3	Sargunja Cluster	Bhillai	111 + artisan	Basket, Magazine Holder, Pen Stand, Flower Vase, Temple,	Flower Vase & Magazine Holder
4	Bastar Cluster	Raipur	237 + Artisan	Center Table, Candle Stand, Sofa Set, Basket	Candle Stand, Telephone Stand
5	Bilaspur Cluster	Bilaspur	900 + Artisans	Utility Item, Pen Stand, Dustbin, Flower Vase, Décor Product, Furniture Item, Broom, Lamp	Utility Items, Brooms, Décor Item

Source: Cluster Observatory-FMC & Craft Cluster of India

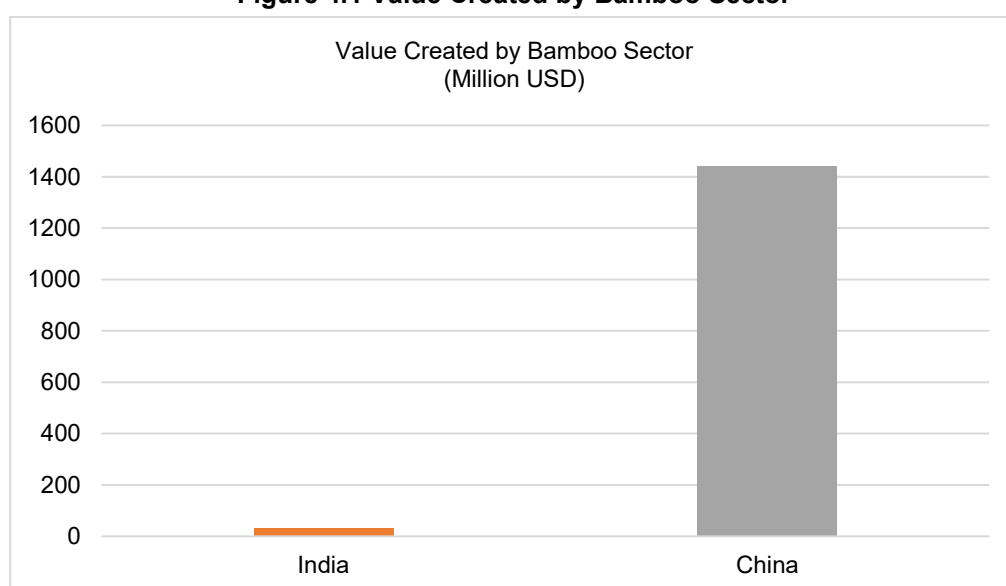
4. Bamboo and Economic Development

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.

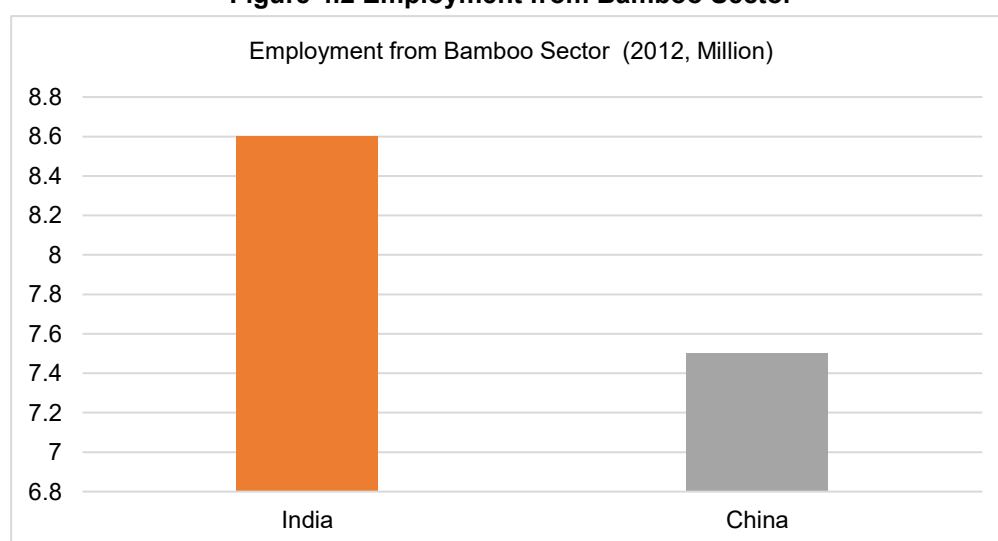
Indian bamboo is currently estimated to create value equal to USD 4.4 billion – approximately 130 times the USD 34 million recorded in 2003. In China, the world's largest bamboo producer, production was valued at USD 19.5 billion in 2012 – an increase of nearly 50 per cent from the 13.1 billion recorded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

Figure 4.1 Value Created by Bamboo Sector



Source: INBAR

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%
Total	14.5	614.8	8012	1.40%	6090	71%

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. Chhattisgarh's Share in Exports and National Markets

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

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 Chhattisgarh 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 Chhattisgarh 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 Chhattisgarh 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 Chhattisgarh 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 Chhattisgarh 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 the Chhattisgarh bamboo sector through a hub and spoke model, with Bilaspur 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 Chhattisgarh

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. Chhattisgarh Handicraft Development Board

This board was established in the year 2001. The main objective of the board is to achieve all-round development in the field of handicrafts and to revive the vanishing crafts with the help of training and to provide maximum employment opportunities to the traditional and non-traditional craftsman for the constant progress of the handicrafts. 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.

7.2. Chhattisgarh State Bamboo Mission

The objective of the mission is to promote bamboo planting in forest and non-forest areas, to ensure availability of bamboo plants to farmers and to encourage farmers to plant bamboo. It helps to identify the market for bamboo products and ensure proper coordination to bring craftsman to market. It will promote bamboo-based cottage industries and ensure their development.

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 had organized Gramya"- Kala Shilpa Mela (Exhibition) to enable the bamboo artisans in Chhattisgarh to market their products and to benefit directly from market feedback for better value realization of their products.

7.4. CSLPS

Chhattisgarh State Rural Livelihood Promotion Society is the state rural livelihood mission of Chhattisgarh started with an aim to "improve rural livelihood options and work towards social and economic empowerment of rural poor and women". It works through the institutional structure of SHGs and their federation. Financial inclusion and enterprise promotion are one of the key works of CSLPS and the bamboo artisans could benefit from it, especially in capacity building and financial linkages.

7.5. 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:

7.6. 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 several 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. FMC intends to help grounding of 350 MSMEs in Bamboo sector and enhance livelihoods of more than 1000 artisans/ farmers through these two initiatives respectively. Details of both the initiatives can be seen towards the end of this report.

7.7. Evangelical Social Action Forum (Aide et Action)

Aide et Action stands for sustainable holistic transformation of the poor and the marginalized for a just and fair society. It is registered charitable society, working in Bamboo sector for more than a decade. It is also working with the Foundation for MSME Clusters under the EU Switch Asia & SDF co-funded bamboo initiative in Chhattisgarh.

7.8. Community Advancement and Rural Development Society (CARDS), Raipur

CARDS successfully trained 30 master trainers for two months for producing high quality bamboo products with the financial assistance of NABARD in Pendra Block of Bilaspur Distt. from capacity building to entrepreneurship, in Bilaspur district. Available land for farming is decreasing day by day, dependence on monsoons, lack of irrigation facilities, lack of awareness for new farming techniques and equipment has resulted in families showing disinterest in farming activities, which in other words is a threat to the nation, especially in the state the situation is more worse, resulting in movement of members of family to other states, making women members all alone to handle the land, also production capacity of land decreases if not taken proper care, which in turn results in low income, lack of basic facilities, this forced organization like NABARD to initiate with a project of skill development as a non-farming activity, and CARDS was the organization given the opportunity to be a part of the mission, with an objective to give non farming sector a new direction.

8. Select Bamboo Product Profiles

8.1. Bamboo Water Bottle

The bamboo water bottle has immense potential as a substitute of 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 chopstick 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 machine. 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 of 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 box 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 in 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 for 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 against 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 a hot selling bamboo product 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 platform like Flipkart, Amazon, Paytm, Nature Baskets, Grofers can be very useful. Offline sales promotion can be done to create a regular business channel in local and intra-state market. Social networking sites like Facebook and Instagram may be also used to target retail customer.

8.8. Contemporary Basket Products

Bamboo is very suitable for making Basket & Basketry items, which are in demand as they are green packaging substitute. 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.
- Selling price is assumed at Rs 120 to Rs 130 per kg.
- 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 in local grocery stores and departmental stores for household use. Marketing network 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 CO₂ and releases 35% more O₂ in the environment. Plastic brushes are non-degradable (even in 100 years) and source of 2nd 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 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 cutleries, spoons accounts for 55% of global market, which is around USD 881 million (Source: Future market insight). The retail sales channel of disposable cutleries 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 purpose 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 type 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 principally 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 is working 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: Sonapur, 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 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 Chhattisgarh

Table 10.1 Key Output from Projects in Bamboo Sectors

Parameters	2019	2020	2021	2022	Total
Baseline Survey	398	113	225	33	769
Grounded Unit	23	99	113	15	250
Female Units Grounded	23	56	106	13	198
Employment Created	72	242	259	46	619
Women Employment Created	33	124	192	26	375
No Of Training	4	1	8	7	20
Training Participates	96	30	235	283	644

In the last 4 years of intervention in Chhattisgarh, FMC has created/expanded 250 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 unit. 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: Mandram Tikka's Story of Success through Design Innovation

Mandram Tikka and his wife has been keeping busy for the last few months. With the large volume of order from the new market linkages, the duo along with 4 other artisans have to work 9 hours per day, starting at 6 am in the morning. The work usually begins with preparing the bamboo in a process called splitting and slicing. The artisans then transform the processed bamboo into an array of utility and decorative products like flower vases, candle stands, home temples, supa and tukris. The products are mostly sold to traders, who would resell them to distant markets in India's towns and cities. But what led to this boom in demand?

During the inception phase of FMC's project "Promote Bamboo MSME Clusters for Sustainable Development", the field had been visiting several villages in and around the Bilaspur bamboo cluster. FMC identified Mandram as an artisan with growth potential and encouraged him to participate in a skill upgradation program to be held at Kudal, Maharashtra. The program provided Mandram with much-needed exposure and skill to craft modern products, made of bamboo. These products like lamp shades, home temples, pen stands used the same green resource i.e., bamboo, which was available in plentiful in and around his village in Bilaspur. The products though had greater demand and profitability.

Equipped with new designs and skill, Mandram was quick on his toes to turn opportunity into reality. He came back to his village and trained his wife along with 4 other artisans. Subsequently they formed a new unit named Laxmi Baans Kala Kendra, further applying for artisan cards. FMC's team further enhanced their efforts by connecting them with traders and helping them participate in district and state exhibitions – also assisting them to arrange for a working capital credit of Rs.40,000 from a local microfinance institute.

Laxmi Baans Kala Kendra now has an annual turnover of Rs. 10 lakhs, with the 6 artisans toiling throughout the day to fulfil orders for their new bamboo products. Mandram and his wife, with similar work hours can earn a proper living, through increased revenue and profitability. Mandram's story reflects how the right concoction of cluster development strategy, together with an individual's willingness and effort can bring about positive changes in their life and the society as a whole.



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.

Address:

USO House, 2nd Floor, USO Road, 6, Special Institutional Area, Off Shaheed Jeet Singh Marg, New Delhi 110067

Phone: +91 11 40563323/24

Email: info@msmefoundation.org

Organisation Website: www.fmc.org.in

Cluster Observatory Website: www.clusterobservatory.in