

AGARBATTI MAKING – AN ITC /ORMAS INTERVENTION –PROLIFERATING INTO THE LIVES OF RURAL POOR WITH A DIFFERENCE

Agarbatti making has emerged as one of the pioneering and successful activity of ORMAS, initiated by Panchayati Raj and DW Department Government of Odisha. The hand rolling of Agarbatti making was started on a pilot basis in 2009 in collaboration with ITC Ltd. Chennai. The activity was started in three districts of Odisha; i.e. Khurda, Cuttack & Nayagarh in three clusters, with around 500 rollers with a production of only 5 tons. At present, in 14 districts around 10,000 beneficiaries have been trained in both hand & pedal machines, with a production of around 50-70 tons per month and a turnover of Rs. **201.33 Lakhs**. But, 1,000 beneficiaries are actively involved in this activity. With initial success, of hand rolling, pedal operated Agarbatti machines from Vietnam was introduced on pilot basis at Anchalika Agarbatti Mahasangha, Jagannathpur, Banki Cuttack. This was done due to:

- Augment the production,
- Increase productivity
- Drudgery reduction and
- Higher returns to the primary beneficiaries.

The income can go up to Rs. 150 - 200/- per day depending upon the production capacity of the roller. Looking at the potential and income of SHGs/Federations and coverage of more rollers, it was decided to scale up the production.

One perfume and packaging unit has been set up in Jagatpur, Cuttack to add value to the Agarbatti.

Keeping all these factors into consideration, it was a conscious decision of ITC and ORMAS to go for Pedal Operation in Odisha in a big way.

This intervention has helped the producers accrue benefits physically and financially.



Hand Rolling



Pedal Operation

Interventions	Impacts
Raw material inputs	Timely availability of quality raw material
Practices	Producers are organized through SHGs/ Federations & hence enhanced the bargaining power of the producers
Productivity	Regular training & constant supervision helped in increasing individual level production
Technology	Introduction of pedal operated instrument helped in enhancing qualitative production as well as income
Availability of credit	Provided strength to enhancing volume of business
Selling practices	Tie up with ITC Limited for buy back arrangement created an assured market for their produce.
Income	Pedal Roll: Income 150-200/- per day
	Above interventions created a competition in the marketing & led fetching more income by around 40,000 producers other than the project area covered by other companies or agencies.

- Established two raw material Banks for Hand rolling as well as Pedal Operated Agarbatti, being operated by authorized Vendors of ITC.
- Establishment of two numbers of Agarbatti Perfuming & Packaging units.
- Engagement of manpower for Operation Management, Training & Quality control.
- Provision of new 250 nos. of Pedal operated Agarbatti machines to the beneficiaries after proving 650 machines earlier.

Intervention Area:

- Capacity building of rollers
 - Basic
 - book keeping
 - register maintenance
 - leadership building training
 - General theory classes
 - Skill [*quality batti production*]
 - Technical session on production
 - Machine maintenance
 - Training on quality and branding
- Infrastructure support
 - SGSY building
 - TCPC centers available in the districts
- Financial support
 - Revolving fund support of purchase of Raw material from ORMAS/OLM
 - Bank linkages

- Provision of quality raw materials
 - ITC has established one raw material hub at Cuttack to ensure quality raw material.
- Introduction of Low cost technology [**pedal instrument**] for increase in production
 - To reduce drudgery, ITC provided pedal operated Agarbatti Machines to our Clusters/PGs.
- Adaptation of Activity Federation model
 - Started the Agarbatti activity in a federation mode where the members involved in single activity, i.e. Agarbatti.
- Regular monitoring
 - A team comprising of ORMAS & ITC officials from HQ, visited regularly to the clusters/PGs in the district to monitor and address their issues.

District Covered –

Hand Rolled

Balasore, Bhadrak, Boudh, Cuttack, Jagatsighpur, Kandhamal, Kendrapara, Khordha, Nayagarh, Mayurbhanj, Puri

Extruded Batti

Balasore, Bhadrak, Mayurbhanj, Kendrapada, Jajpur, Cuttack, Dhenkanal, Angul, Khordha, Nayagarh, Kandhamal, Puri&Ganjam

Impact till Now -

- Assured market for the product
- Created organized business models
- Assure income at their doorstep using leisure time.
- Increase in quality of Agarbatti
- Increase in conversion charge from Rs.8/- to 22/- presently.
- Introduction of standard pedal instruments help in enhancing individual level production & income.

Year wise Production and revenue Generated

Year	Total Production Volume (MT)	Value of Product(Rs.)
2012-13	309	₹ 2,16,30,000
2013-14	491	₹ 3,43,70,000
2014-15	603	₹ 4,22,10,000
2015-16	602	₹ 4,21,40,000
2016-17	493	₹ 3,45,10,000
2017-18	350	₹ 2,45,00,000
2018-19 (Till 31st Jan'19)	204	₹ 1,42,80,000
Total	3052	₹ 21,36,40,000

