

Handloom Industry Market Survey - Nalgonda District

August , 2010

Nalgonda district is famous for Chitiki handloom industry. From a survey done in 2007 it is known that there are 25,000 weavers and 12,500 looms on which they ply their craft. 5000 weavers are in the co-operative sector, 15,000 in the fold of Master-Weavers and 5000 in other associated work or are master-weavers themselves.

Bhoodan Pochampally is the centre for all the master-weavers and self sufficient producers in the district. Gattuppala, Chandur, Puttapaka, Koyalagudem, Siripuram, Vellanki and Mukya are the main production centers in the district.

Villages which used to flourish with handloom production are now reverberating with cries of hunger and suicides. They are surviving in a limbo – Unable to Survive – Unable to Die. Many of them are migrating to urban places and work in hotels, companies for small time unskilled jobs or are working as security guards or accountants in Cloth stores.

Hands of excellence in the skill of Chitiki are holding spade and showels in the employment guarantee scheme. Administrators who have forgotten that handloom sector is the second highest employer in this country are the prime culprits for this disaster. They lack imagination to create new and helpful policies and lack will to implement existing ones. Their greed is killing this magnificent industry much sooner than one can imagine. The weavers appeal to the rulers to treat them as equal citizens and provide them gainful employment in the handloom sector. They are bringing forward the following issues to the administration.

Situation 3 years ago and that of today has been explained in detail

The industry has been neglected since 10 years but in the last 3 years it has become a drought like unbearable situation.

YARN SELLERS SITUATION

> యారన్ నిలువు 1 కేజీ =1500,పెక 1కేజీ 1200/-

>నేడు యారన్ నిలువు 2600, పెక 2100/

>Pochampalli used to have 50 shops which sold yarn – now there are only 8

>Each shop used to supply to 50 clients – now they are able to do supply only 5-10 clients

>Monthly sale used to be around 200 kgs which is now down to 50kgs

- > Yearly turnover was 50 lakhs which is down to less than 10 lakhs now.
- >With same investment we are able to get only 50 kgs of yarn instead of the earlier 200 kgs
- >Earlier used to pay only after yarn has arrived but now yarn is sent only after payment is done (Credit facility has dried up)
- >We used to stock yarn – now we have stopped it.
- >Investment on yarn has gone up but there is no profit.
- >We used to give yarn to weavers and collect the payment after a month but the situation does not exist today.

MASTER WEAVER

- >The number of looms is down to 5 from around 20
- >We used to employ 2 person for chitikis but today we don't have work for them.
- >We used to be very enthusiastic about work – now it is only despair.
- >We used to invest around 15,000/- to 25,000/- per weaver but today to retrieve capital and provide work, we are resorting to loans. Suicides are happening because of inability to pay interest. People are resorting to high interest micro-finance loans to survive.
- >With the amount of capital required for 5 looms today we could get 20 looms earlier
- >If we used to give capital for a loom and get material weaved we used to get 2,000/- to 2,500 per loom. But now it is down to 300/- to 400/- or in some cases not even that.
- >Retailer used to give us order and investment and then take the product after finishing. Now we are investing by giving capital and then selling to retailer.
- > Earlier even if the quality was low, demand used to exist but unfortunately the quality has improved today while demand has gone down
- >The children from a family used to get into this work and everyone in the home used to do this work. We will not do that in future.
- >This work evoked respect – today it only evokes frustration and insecurity

Colour Manufacturers/Sellers Situation

- >There were 15 colour sellers earlier in Pochampalli – now there are only 4
- > Sales have gone down by 75%

- > Earlier the turnover per month was 50 thousand, now it is down to 15 thousand
- > Prices have gone by 30%
- > Due to current situation we are forced to work as auto rickshaw drivers or assistants in shops.
- > Due to lack of income others might also migrate in 2 months
- > Pochampalli, Gattuppal, Puttapaka, Narayanapuram, Janagam, Aleru, Bachannapeta, Raghunathapuram, Siripuram, Vellanki used to sell colours in all villages of the district. Today none of them are coming to buy colours.

SITUATION OF WEAVERS IN HANDLOOM VILLAGES

- > Only 200 looms are working out of 1500 in pochampalli.
- > Puttapaka had 500 looms – now it is less than 100.
- > Out of 60 master weavers in puttapaka only 10 are working
- > Out of 600 families in puttapaka only 260 are staying as others have migrated. Of the remaining 260 families majority are working in employment guarantee scheme.
- > Weavers are working as laborers in employment guarantee scheme.
- > Working as security guards/ hotel workers/ sweepers. ga

REASONS FOR THE CRISIS

- > Imitation products being manufactured on powerlooms
- > Increase in yarn costs and lack of stability in the costs
- > Absence of market
- > Government policies not according to the needs
- > Delay in implementation of policies
- > APCO not giving work to Co-operative societies
- > Neglect from government side and lack of initiative to improve Handloom sector
- > Middlemen taking away major part of profits
- > Govt. schemes not reaching poor weavers

ACTIVITIES TO BE TAKEN UP BY GOVT.

- >Subsidy should be given on raw material.
- >APCO should increase buying from weavers
- >Banks have to be made to give loans to the industry
- >Government schemes should not reach bogus beneficiaries
- > Product rate should be fixed by the producer
- >Govt. employees should be made to wear handloom products – at least one day in a week
- >yarn rates should be decreased
- >Market should be provided
- >Prices of essential commodities should be regulated
- >Costs of raw material should be reduced

SITUATION OF TRADERS

- >**3 years ago there were close to 100 shops in pochampalli, now the number is down to 40**
- >**20 shops have closed due to losses.**
- >**Migration of market to Hyderabad has decreased demand for Pochampalli products.**
- >**Before the shift of market to Hyderabad people used to come to Pochampalli and buy - directly from weavers as well.**
- >**Turnover used to be around 20 lakhs per annum – it is not reaching even 5 lakhs these days**
- >**Previously there was production and sale – now there is no production or sale.**
- >**We used to invest in production of master weavers and self-sufficient weavers – now we are buying finished product without any investment support to producers**
- >**The quality has increased from previous years but we are unable to sell at higher prices**
- >**We used to have a margin of 10% earlier and it has now come down to less than 5%**
- >**Debts are increasing because of external factors – not because our personal expenses have gone up.**
- >**We are continuing in this trade only to get back our capital investment**
- >**We do not want our children to enter into this trade**

>We cannot compete with unethical powerloom made replicas of handloom and sell genuine handloom

>Unable to invest as returns are not remunerative.

>Suicide seems to be the only option as our business is suffering losses.

>We, who have provided employment to many are unable to work as labourers under someone else.

>Unable to educate our children we are getting them to work in companies.

>We are unable to repay interest on the loans we have taken

>Expenditure has gone up and Income has gone down.