

## A Presentation on MASUTA Producers Company Limited

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## Presentation

- **Background**
- **Tasar yarn production based livelihoods**
- **The Producers and their Organisations**
- **Need for National collective – Advantages**
- **Advantages of being a producers Company & disadvantages**

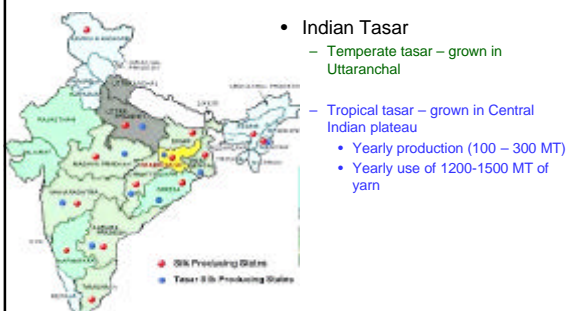
## Presentation (Contd.)

- **Other initiatives**
- **Membership Development, Governance and Management**
- **Functions – Production, Operational highlights**
- **Scope for expansion**

## Background (Silks)

- Mulberry consists of more than 80% of Indian Silk
- Non-mulberry silks consist of
  - Eri
  - Muga
  - Tasar (<10% of Indian silks) having two types:
    - » Tropical Tasar (hosts trees - *Terminalia*, *Sorea*, *Zizyphus*) – grown only in India
    - » Temperate Tasar (host tree - Oak tasar) – grown in China, Korea and in India

## Background (Indian Tasar Silk)

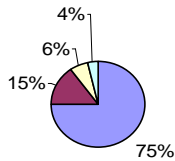


## Background (Traditional Tasar )

- Confined to only tribal & Forest dwellers
  - Age-old practices in cocoon production
  - Uncertainty in return
- Yarn production confined to weaving clusters
- Use of thigh, palm, *takli* etc primitive tools
- Low production 5-10g yarn/day
- Low earning Rs 10-15 /day
- Tasar yarn was not available in the open market

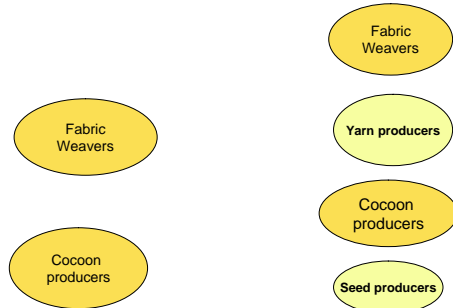
## Background

Share of different tasar yarns used in India (MT/yr)



■ Imported ■ Deshi Ghicha ■ Deshi Thigh reeled ■ Deshi Katia

## Tasar Producers



Traditional

PRADAN promoted

## Promotion of Tasar yarn production based Livelihoods

As an independent rural enterprise  
Suitable for women

- Having limited dignified job opportunities
- Local wage rate is less
- Landless / marginal farmers

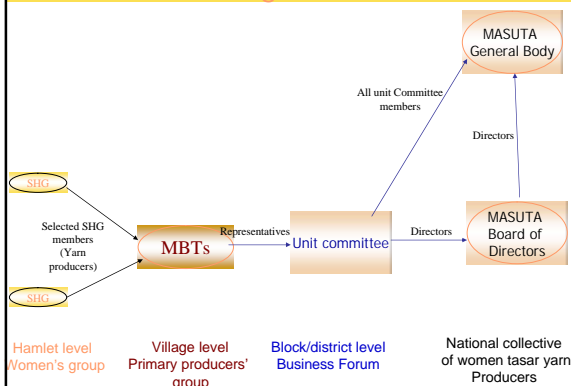
Creates a separate set of actor  
(producers) in the tasar value chain

## Yarn production (The producers)



- Women SHG Members
- Living in Remote rural areas
- Landless /Marginal farmers
- Semi / Illiterate
- Few dignified job opportunity
- No significant scope of earning livelihoods

## The Organizations



## Need for National Collective

- Small producers
- Fragmented production – requires sorting
- Producers are geographically scattered in remote villages
- Distant market
- Bulk market
- Un-organised market for domestic yarns
- Threat from imported yarns

## Advantages of National Collective

- Aggregation
  - Produces (Yarns)
  - Finances
- Collectivization
  - Purchase and storage of cocoons
  - Other inputs
  - Marketing
- Segregation
  - ❖ Distribution of cocoons
  - ❖ Other inputs and services
  - ❖ Enterprise risk and sectoral/industrial risk
- Solidarity
  - Largest Tasar yarn producers organisation in India
  - Major player of Indian tasar yarn market

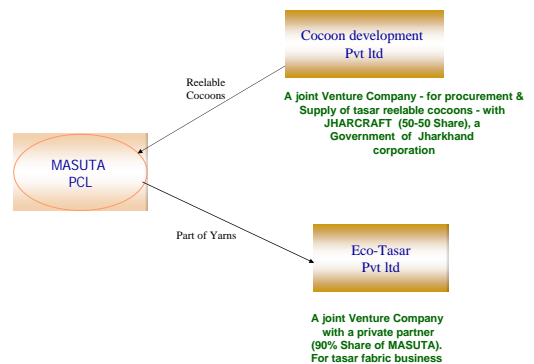
## Advantages of MASUTA as PC

- Owned by 2037 women yarn producers
- Intrusion of non-producers prevented
- Corporate management with mutual co- operation among members
- Gained faith in financial institutions
- Participation (production) is emphasized than share holding
- Not a state law
- With held price, Patronage bonus and its capitalizations

## Disadvantages

- Not recognized by many state Governments as alternatives to other Producers' organizations
- Problem in raising grants / subsidy

## Other initiatives



## Leadership for MASUTA

### Leadership for MBTs

Development of MBTs' business sense (EMT)

Development of individual business sense (EMT)

Technical Training to acquire skills

## Membership Development

## Governance

**General Body**  
Representatives Of all Member Trusts

**Board of Directors**  
8 elected Producers (each from a Unit Committee)  
4 Experts (co opted for 2 yrs.)  
Managing Director

## Operations

Managing Director

Mangers

Executives

Officers

Assistants

## Operations

- o Production
- o Finance
- o Marketing
- o Membership Development
- o Human Resource Development

## Production

### o Upgradation of technologies

- Collaboration with IITs
- Collaboration with DU Delft, NL
- Development of new spinning machine
- Development of new reeling machine

### o Diversification of yarn types

- o Production of 7. 4 MT of yarn in first half compared to 9.4 MT last year

## Operational highlights (till Sept 07)

- Half yearly turn over : Rs 6.0 crore
- Profit distributed : Rs 38.0 lac
- Profit earned ( after distribution) : Rs 18.0 lac
- Direct yarn sold : Rs 46.0 lac
- Fabrics sold : Rs 75.0 lac
- Fresh loan mobilised : Rs 2.0 crore

## Scopes for expansion

- ❖ Raw material (Tasar cocoons), not the market is the constraints in expansion
- ❖ Modern products and niche export market to target
- ❖ With current level of production of cocoons 7000 yarn producers can be promoted.

**Thank you**