

**Brooms:**

Among brooms available in the market, mainly two of the varieties owe their origin to the forests - thorn and hill brooms. Brooms are a big business in western and southern Orissa. Though most of the raw material is sourced from this region, processing is done outside the state due to various reasons whereby valuable employment opportunity is lost and the state loses precious revenue.

**1.1 Badhun (Thorn broom - *Aristida Setacea*)**

Mostly found in Balangir and Bargarh, the raw material finds its way to AP, where it is processed and sold. One of the major final buyers is the Municipal Corporation of Hyderabad, who uses the produce in its cleaning operations. Every year in October, traders from Andhra Pradesh come and camp in Balangir. But as per the information available all of these traders collect brooms on behalf of one Balaji Brooms Ltd. So virtually in spite of the produce being free, this is a monopoly.

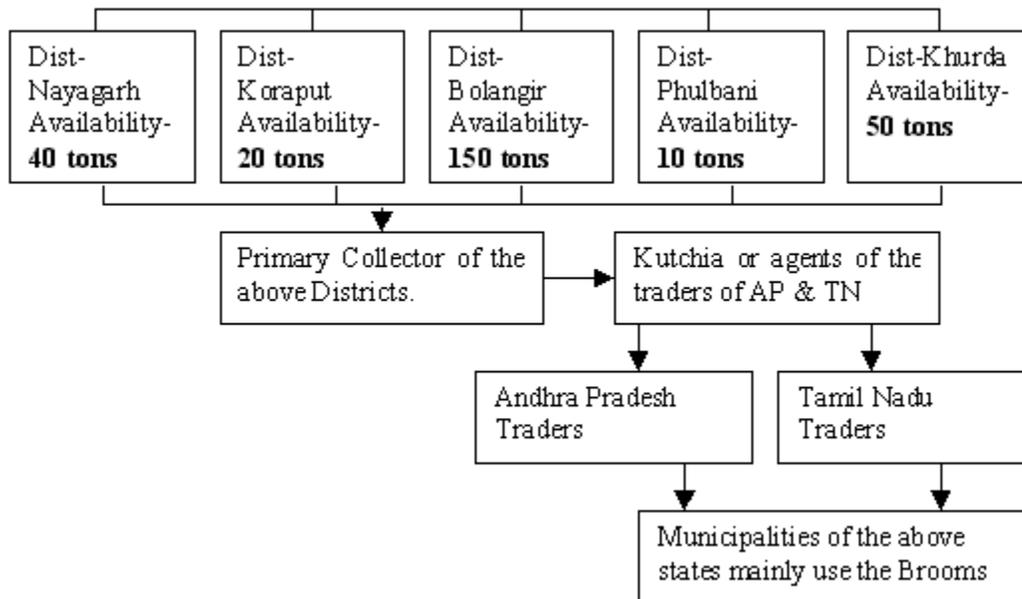
The traders either collect Badhun from tribal directly or through the Kutchias. They give advance payments to the collectors directly or the Kutchias, who in turn advance it to the collectors depending on the vulnerability of the latter. By this they are assured of procurement and at the same time earn hefty interests on the advance, again depending upon the duration of the advance or vulnerability of the primary collector.

The traders have been coming to Orissa every year since 1983. They come with all preparations to stay for the whole collection season and rent a house. Every morning they would travel to the fields in motorcycles and collect brooms from Kutchias. Whatever price they pay, their trading mechanism is worth watching. They send about 12-13 truckloads of Badhun to Andhra Pradesh. Hyderabad, Warangal, Nellore, Vijaywada are some of the areas where they send these produces for further processing.

Has anything changed since the implementation of new policy? Earlier it was one of the leaseholders of the state that used to collect the Brooms who in turn would supply it to the Trader in AP, though there would be clandestine operations by the agents of traders due to inherent problems - financial or otherwise, of the former. Now the state agency, TDCC is one of the buyers and the agents of traders can buy directly without much of a hindrance. However - there has been a positive fall out, despite the fact that most of the produces procured ultimately

land up with one buyer in AP; there has been an increase in procurement price (close to 50%) in the last 2 years. This is one of the very few produces, where the producers seem to have gained under the changed regime with regards to the price.

**Fig. 6- Trade Route for Badhun with potentiality figures (Thorn Broom)**



**Major findings:**

1. About 80% of total thorn brooms available in Orissa go to the neighbouring state of Andhra Pradesh.
2. This trade in Andhra Pradesh is controlled by one to two major traders.
3. All the raw materials go from Orissa is consumed by Municipalities of the southern States.

**Economics of the operation (All calculations in Kg).**

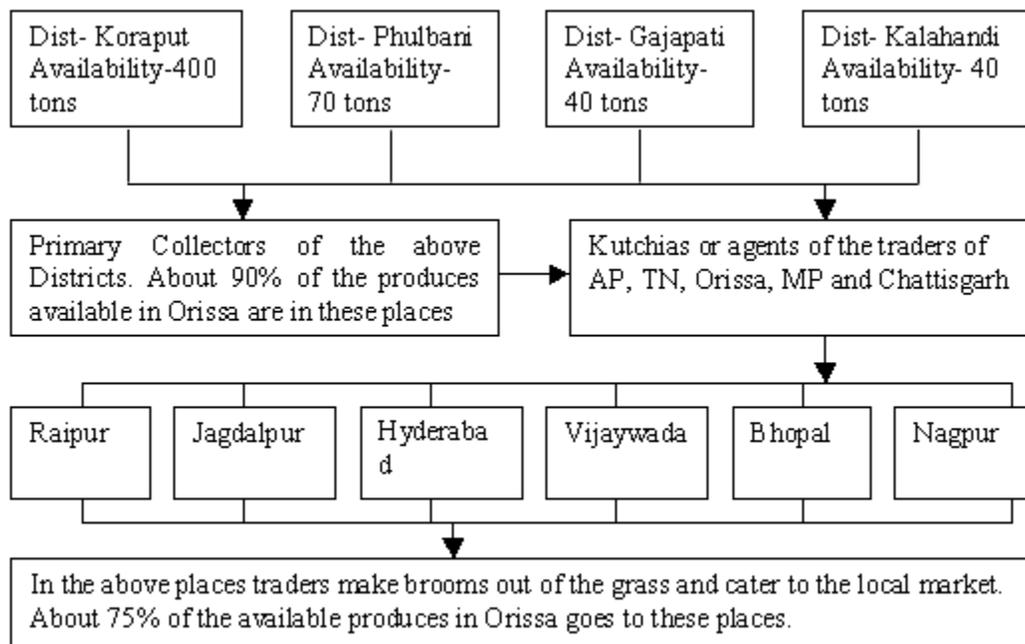
Agents collect brooms at =	<b>Rs. 6 per Kg (Avg.).</b>
Transport cost from Bolangir to Vijaywada =	<b>Rs. 1.50 per Kg.</b>
Packaging cost =	<b>Paisa 25 per Kg.</b>
Other Expenses =	<b>50 paisa</b>

Sell to the traders of AP at =	<b>Rs. 10 per Kg.</b>	
Agents Profit =	<b>10-6+1.50+25+50=</b>	<b>Rs.1.75</b>
	<b>(Profit)</b>	
Traders sell to GCC =	<b>Rs.15</b>	
Transport cost from Vijayawada to Vizag =	<b>Rs.1</b>	
Other costs =	<b>Rs.1</b>	
Traders profit =	<b>Rs.15- 10+1+1 = Rs.3</b>	
GCC sell to MCH (Municipal Corp. of Hyderabad)	<b>Rs.20 per Kg. (Margin not known)</b>	
MCH sell to the contractors at =	<b>Rs. 24</b>	
Contractors make 2 brooms out of 1 Kg. Of Raw material.		

### 1.2 Hill Broom (*Arundinella Setosa*):

Mostly found in the districts of Koraput, Phulbari, Gajapati and Kalahandi. Unlike Badhun which is used mostly by Municipal corporations for cleaning of roads, Hill brooms are mostly used in the homes in various states for cleaning purpose. The processing units of Orissa mostly used raw materials from Assam. According to traders the quality of raw material of Orissa is better than the Assam quality but it does not have the market acceptability because of its length. So mostly the raw materials go to other states.

**Fig.7- Trade Route and availability figures of Hill brooms:**



## Major Findings:

1. Hill brooms consumption in Orissa is very low. Orissa broom processing units prefer Assam quality raw materials.
2. About 60% of the raw materials go to the neighbouring state of Andhra Pradesh and about 25% goes via Raipur.

### Economics of the operation (All calculations in Kg.)

Agents collect at the rate of =	Rs.18
Purchase tax 8% =	Rs.1.44
Transport cost (More than 1000 Kms) =	Rs. 1.50
Packaging cost=	50 Paisa
Agents sell at =	Rs.24
Other Cost =	Rs.1
Agents Profit =	$24-18 +1.44+1.50+50+1 = \text{Rs.1.56}$
Assuming there is no other middlemen	
Processing Units make	4 Brooms from 1 Kg.
Market price of a broom=	Rs. 20 Avg.
For, 4 Brooms = $\text{Rs.20} \times 4 =$	Rs. 80
Labour Component and infrastructure =	Rs.25 (Estimated)
Storing Charges =	25 paisa
Wastage =	25 paisa
Net Profit = $\text{Rs.80}-\text{Rs.24}-\text{Rs.25}-25\text{Paisa}-25\text{Paisa} =$	Rs.30 per Kg.