Scenario of Indian Sericulture Industry

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ABSTRACT

Sericulture is a multifaceted agro-based cottage industry, which aims at uplifting the socio-economic standards of its practitioners. As a dynamic small-scale industry the employment potential of the silk industry is substantial. The major activities of sericulture comprises of food-plant cultivation to feed the silkworms, which spin silk cocoons and reeling the cocoons for unwinding the silk filament for value added benefits such as processing and weaving. The broad-based development of the agro-based industry will improve both the social and physical infrastructure of India. Sericulture being an agro-based enterprise plays a predominant role in shaping the economic destiny of the rural people and fits very well in India’s rural structure, where agriculture continues to be the main industry. In view of the significance of sericulture industry for the economy of the country, the paper tries to enlighten the status of sericulture industry in India in view of globalization.

Keywords: Scenario, Sericulture, Globalization

Introduction:

Silk is a way of life and no ritual is completed without silk in India. It is an inseparable part of Indian culture and traditions. Natural silk is a product of labour of love of the sericulture farmer and artisans engaged in adding value to silk that reaches customers in its beautiful and precious form. After, more than 5000 years of its invention, silk still remains the supreme fiber. Its importance in the fashion world is increasing steeply due to its glorified richness, sensuality, tenderness, serenity and universal appeal and silk is one of the popular fabrics for apparel because of its unique properties.

Sericulture is the art and technique of silk production. It is an ancient industry in India, dates back to the second century B.C. Traditionally, India dwells in the rural areas its economy is
largely dependent on the success of agriculture and allied farm activities as more than 70 percent of the people’s livelihood security is depending on this sector. Sericulture being an agro-based enterprise plays a predominant role in shaping the economic destiny of the rural people and fits very well in India’s rural structure, where agriculture continues to be the main industry. Out of the 6,38,588 villages in India, sericulture is practiced in about 52,360 villages providing employment to approximately 8.0 million persons in rural and semi-urban areas in India. Sericulture is providing livelihood for 9,47,631 families. Mulberry sericulture is mainly practiced in five states namely, Karnataka, Andhra Pradesh, West Bengal, Tamil Nadu and Jammu & Kashmir, which jointly account for about 96% of the total mulberry silk production in the country.

Sericulture industry is an excellent avenue for providing employment with various entrepreneurial opportunities for the rural development; stability is the vital requirement for sericulture enterprise. With the onset of reforms to liberalize the Indian economy in July 1991, a new chapter has dawned for India and her billion plus population. This period of economic transition has had a tremendous impact on the overall economic development of almost all major sectors of the economy; Sericulture Industry is one among them. Survival in the new global business market calls for improved quality and productivity of silk.

Under World Trade Organization (WTO) regime and General Agreement for Trade and Tariff (GATT) with liberalized trade policies, India not only has to increase its silk production but also improve silk quality standards, if it really wants to be competitive in the world silk market. Apart from this the fashions are changing with the changing times in the domestic market also which demands for quality silk. The challenge before us is to direct our production strategies to suit the domestic and global silk market. Unless bivoltine cocoons are made available in sufficient quantities throughout the year and more importantly at prices comparable internationally, Indian silk industry cannot reach the desired levels of competence in production of silk. The demand for cocoons is in far excess of the supply and this is also leading to very high price levels for the cocoons in the country. Therefore, the challenge before India is to reorient the production strategies to suit the requirements of both national and international markets, by developing better quality silk with reasonable lower cost.

**Strategies**

**Production of Bivoltine Silk**

India is the second largest producer of raw silk after China and the biggest consumer of raw silk and silk fabrics. Among the four varieties of silk produced, as in 2012-13, Mulberry accounts for
79% (18715 MT), Tasar 7.3% (1729 MT), Eri 13.2% (3116 MT) and Muga 0.5% (119 MT) of the total raw silk production of 23,679 MT. In total production of mulberry silk around 90 percent of silk is coming from traditional crossbreed silkworms, only 12-13% silk is bivoltine silk.

Silk in India produced from the hardier and indigenous varieties of multivoltine silkworms, the silk produced from these silkworm strains is not gradable. Production of silk in India has been rationally driven by domestic demand mainly for heavier handloom based fabrics like sarees. The changing consumer tastes in the domestic market from the traditional heavy handloom fabrics like sarees to lighter materials, are sending signals to the industry to reorient its production plans to match the changing demand patterns. Hence, the challenge before the Indian sericulture industry is to orient the production strategies to suit the requirement of both national and international market demand, by developing the bivoltine silk sector.

**Improve Quality at all stages of Silk Production:**

Efforts for quality improvement should necessarily include quality based pricing of cocoons prior to transaction. Quality standards for seed cocoons, commercial eggs, reeling cocoons and raw silk is of utmost importance to build quality at all stages. Create a brand image for silks from India and build quality into the products, blending heritage with the market requirements.

**Production of Gradable Silk**

Indian reeling sector is mainly cottage based and highly decentralized; employing a variety of reeling devices and producing low to medium quality of silk in limited quantities. The equipments used in the silk industry are simple, conventional and less capital intensive. This leads to low value addition, heavy dependence on manual skill and attention and scale and scope economies being negligible. These features create a situation where the industry becomes highly competitive, very risky and inhabited by many small firms. Much needs to be done in the silk machines manufacturing sector. Unless adequate infrastructure and capabilities are built within the country, it will be difficult to be competitive. Fragmented and very small units would not have the strength to upgrade or understand and react to the market forces. In this context systematic and organized restructuring of the silk industry to emphasize and enhance the production of high quality raw silk on commercial scale with proper backward and forward linkages so as to facilitate export of Indian raw silk and lowering of imports is essential component in global perspective.

The multi-end reeling technology designed and developed by the Central Silk Technological Institute, Bangalore addressing the quality and productivity issues provides the advantages of pollution free working conditions, reduced health hazards and discourages child labour.
Rationalization of Silk Imports:

There is a strong domestic market for silk in India which is expected to continue for a long period. However, the domestic production of raw silk is not sufficient to meet the rising domestic and export requirements. Hence the country is dependent upon imports to fill the demand and supply gap, mostly from China. The domestic demand of silk is around 30,000 metric tones. Still the demand and supply gap has been continuing. Import of raw silk and silk fibre to India negatively affected the domestic producers and forced the Indian government to impose anti-dumping duty. Self-sufficiency in domestic production of raw silk and suitable business protection for domestic producers of silk may be a solution. Therefore, the gap between demand and supply gap should have bridged by enhancing the qualitative and quantitative characters of silk. Now it is duty of silk producers to improve the quality of silk and lower the cost of production of silk to meet the World market. The past four years trends show that the demand-supply gap marginally reduced probably due to improvement in domestic raw silk production and its quality.

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity (MT)</th>
<th>Value (Cr.Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>7922</td>
<td>734.44</td>
</tr>
<tr>
<td>2008-09</td>
<td>8392</td>
<td>903.06</td>
</tr>
<tr>
<td>2009-10</td>
<td>7338</td>
<td>933.70</td>
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<tr>
<td>2010-11</td>
<td>5820</td>
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<td>2011-12</td>
<td>5683</td>
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<tr>
<td>2012-13</td>
<td>4951</td>
<td>1236.83</td>
</tr>
<tr>
<td>2013-14</td>
<td>3260</td>
<td>896.44</td>
</tr>
<tr>
<td>2014-15</td>
<td>3489</td>
<td>970.82</td>
</tr>
</tbody>
</table>

Source: DGCIS, Kolkata

Statistical evidence indicates that the agro-based industry have received blows due to cheap imports of raw silk. However whether these cheap imports could be designated dumping and whether anti dumping measures can save the situation, are questions not easy to find the answers but important enough to be probed in greater depths. The post WTO developments especially the relaxation of import restrictions in the post liberalization regime also has apparently taken its toll on the silk reeling sector.

During the year 2001-02 there was large scale dumping of Chinese Raw silk into the country destabilizing the Indian silk Industry. In order to safeguard the interest of the domestic silk industry against the cheap imports, a petition was filed by CSB with Directorate General of Antidumping & Allied Duties (DGAD). The petition was filed on behalf of various silk reelers
Associations along with the State Governments of Karnataka, Andhra Pradesh & Tamilnadu for imposition of antidumping duty on raw silk imported from China P.R. Considering the merits of the case, the antidumping duty was imposed during January, 2003 (for a period of 5 years) on raw silk of 2A grade & below imported from China on the cheap imports with a reference price of US$27.27/kg. The antidumping duty so imposed was in force until Jan-2008. Subsequently, a sunset review has been taken up for continuation of anti dumping duty on import of raw silk. Accordingly, antidumping duty has been further continued with an enhanced reference price of US$ 37.32 per Kg. and the same will be effective till January-2014.

Silk Mark:

The very purpose of the scheme has been to ensure production of quality silk in India of international standards to compete in Global Markets. Central silk Board, Ministry of Textiles, Government of India has taken an initiative for the protection of the interest of the consumers, traders and manufacturers of pure silk by brought out a logo in the form of Silk Mark on 17th June 2004 at Bangalore. Silk Mark ensures 100% natural silk and aims at the generic promotion of silk and for building brand equity of Indian Silk Internationally.

Geographical Indications to Indian Silks:

Indigenous Knowledge (IK) is a valuable and sophisticated knowledge system developed over generations by local communities. The phenomenon of intellectual piracy is cause for great concern and calls for action at both National and International level. India’s cultural diversity is perhaps best reflected in its handloom textile varieties. From Patola and Mashru in Gujarat, Gulbadan in West Bengal and Saktapar in Orissa, Chettinad and Kancheepuram in Tamil Nadu to Narayanpet and Pochampalli in Andhra Pradesh, handloom weavers for thousands of years created a tapestry of designs and textures that have been the pride of India. But today, much of this treasure is lost to time and to the advances in technology. Handlooms are losing out badly in several parts of India and the skills are vanishing. The intimidation posed by various developed countries has made even the silk producers in India to respond and protect their silk related products under the Geographical Indication Act. The globalization has brought about enormous challenges to the trade and industry. Geographical Indication (GI) Act, 1999 by Government of India has created an avenue for protection of these unique products of the country. The GI Act stipulates protection of the market of the producers and safeguards the interests of the consumers of these
unique products through registration and taking infringement action against the infringers. It is believed, that the IPR Protection of unique textiles products of the country with a predetermined market linkage strategy would help in brand building of the product, providing market linkages, generating more employment opportunities and enhanced income to the stakeholders. GI intends to identify a product intrinsically geographical to specific location over a period, and thus protects the rights of its producers, and thereby preventing possible misuse by others, under the law of the land. False use of geographical indications by dishonest traders, for example "KANCHIPURAM" for sarees, which was not made in the Kanchipuram area of Tamil Nadu in India, is detrimental to purchasers and legitimate producers. Hence geographical indication needs protection. The Geographical Indications of Goods (Registration and Protection) Act, 1999 was brought into force on 15th September 2003. This legislation is intended to give better protection to GIs of India. The registration is done by the Geographical Indications Registry at Chennai. In India, a few silk clusters have already been extended GI certification to support the localsilk industry.

The certification will give the weavers an identity in the market, help them develop more brands, provide market outreach, prevent duplication and enable them get higher premium on the virtue of the brand. The protection and promotion of Geographical Indications is an ongoing effort both at international and national level, which will help to preserve and promote traditionally produced products, in any territory. GIs have enormous economic value as the consumers are willing to pay high prices for goods bearing a particular quality and protect the consumers from spurious products and producers from unfair competition. Besides the commercial aspect, the GIs also protect the usurpation of the national heritage of a country by associating a product worldwide with particular country. Still there is big list of traditional silks are in queue to get recognition and registration under Geographical Indication act. Hope all traditional silks will get the protection under the GI registry umbrella to avoid the exploitation especially in view of globalization.

Conclusion:

It is obvious that India is not able to withstand the competition in global market as Indian silk is the last, ungraded silk by international standard, while China’s 2A grade of superior bivoltine silk is also available at the same price (or) even less. China also has ‘C’ grade silk which is its last grade and even this will be much more superior to Indian silk. Only India, which is the last bastion of silk handlooms in the world, can consume this C grade raw silk. No doubt dumping of silk yarn affects the silk industry in India. As a confidence building measure, the anti-dumping disputes should be dissolved through proper dialogues involving respective ministries and trade organisations from both the countries.
In the backdrop of increasing domestic consumer preferences, the gap between demand and supply, liberalized trade policies and our inability to produce quality raw silk warrants a thorough examination of the very structure of the sericulture industry. Therefore, there is an urgent need to bring in a holistic approach i.e. from leaf to fabric production and marketing and ancillary units of the industry to produce the best at the lowest possible cost so that the country could benefit and rely less on the imported silk. Therefore, it is time for all who involved directly or indirectly in sericulture industry, to join the hands to sail off the sericulture industry to the banks of safety and prosperity in view of the present global scenario.

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