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Research Article

VALUE CHAIN ANALYSIS OF CRICKET BATS MANUFACTURING INDUSTRY IN KASHMIR

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ABSTRACT

The Industrial Sector is now playing its due role in the economic development of the State and in generating employment opportunities for the unemployed youth. Previously it used to be only the Handicrafts, Handlooms and Cottage Industry providing livelihood to a large population at different stages of production, sale and export. Cricket bat industry is considered to be one of the important industries in Kashmir. Industrial sector contributes 25.87% to GSDP of State at constant 2004-05 prices as per Advance estimates for the year 2014-15(A). The State has 53 existing industrial estates spread over an area of 31335 Kanals of land as per position ending November, 2014. The cricket bat industry in Kashmir is already employing over 10,000 people and collectively exports nearly a million cricket bats per year at a price ranging from Rs 250-2000. The main objective of this study is to determine whether cricket bat industry is sustainable entrepreneurial ventures. The study also aims to document the value chain analysis of cricket bat industry in Kashmir valley. The present study was carried out in a bat manufacturing cluster (Anantnag), which is composed of about 195 units, concentrated on the Jammu Srinagar national highway.

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INTRODUCTION

The state of Jammu and Kashmir is a core of good mineral base, substantial water resources and is famous world over in its handicrafts, tourism, cottage industries and wood base industries. The valley offers a distinct free environment which is perfect for the development of industrial units. Many small and medium scale industries have come up basically in the traditional sector along with some new areas like food processing, agro based units, wood based units etc. The total number of permanently registered small scale industrial units (SSI) at the end of Nov. 2010 stood at 53157, generating 247065 employment opportunities. Out of these SSI units, 526 units were registered during the year ending Nov., 2010, providing employment to 3654 persons (Economic survey 2014-15).

Kashmir (India) possesses substantial resource in men and materials which if tapped and mobilized by judicious planning will result in the development of small scale industries which can confidently look to the market both in India and abroad. Giving suitable guidance and necessary facilities, the people of Kashmir can easily produce sophisticated goods in a cost effective manner.

One of the important wood based industries is Cricket Bat industry. The origin of the industry in Kashmir is supposed to

be from Sialkot Pakistan. The technical know-how was imported from England. This trade flourished in those areas of Kashmir where raw material was substantially available. Those persons, who at that time were financially sound, established their units at Halmullah in Tehsil Bijbehara of district Anantnag. More and more people especially at Halmullah, Sangam, Sather, Bijbehara in district Anantnag got attracted towards this trade and established their own units because of the reasons:

1. That the employment was easily available without any bar of academic qualification.
2. That the raw material was readily available in this belt in abundance.
3. That the demand from outside the state for cricket bats was quite attractive as this area lies on the National Highway.

The mechanical devices/machinery was readily available with certain people and was also imported from Meerut and Jalandhar. In the process of interstate trade, the Kashmir people succeeded in producing the quality finished products on the basis of their skill, technique, experience and this industry in the beginning was engaged in exporting the finished as well as semi-finished products to other states of the country.

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Up to 1975-76, this business was going on the said pattern but the state government realized the fact that the precious raw material of Kashmir willow is being sold in raw form by Kashmir based unit holders. The Government became conscious that if the raw material is allowed to go like this, the precious Kashmir willow will not be left for more time and the people engaged in the trade for manufacturing the cricket bats have to close their units for want of raw material.

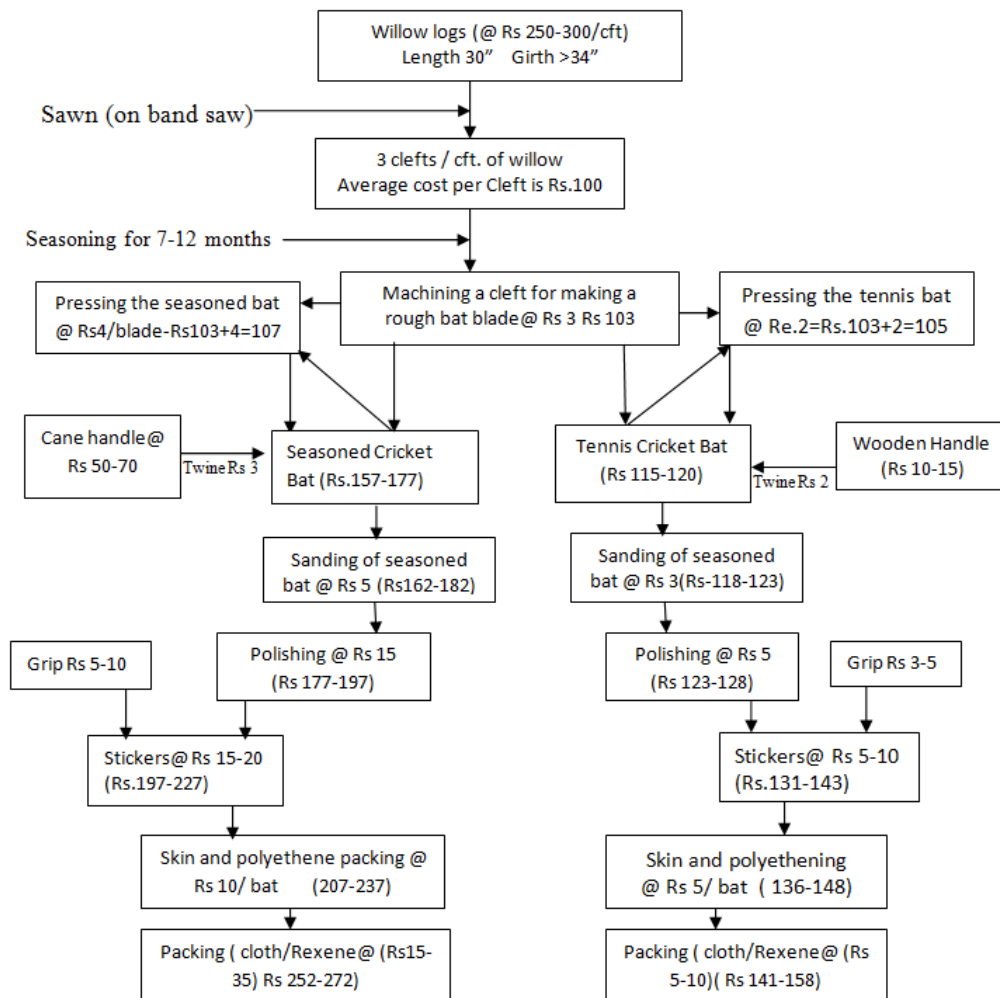
The cricket bat industry has an impressive reputation of making bats which are exported outside. The cricket bats are mostly manufactured from Willow trees. Presently the cricket bat industry has turnover of Rs114.4 crore per year¹. It is important to mention here that during the course of more than one century of making bats, Kashmir has gained a name and fame. In 1975 to 1980, there were only 25 units of cricket bats in district Anantnag and Pulwama of Kashmir division. It has grown to 273 units by the end of March 2009, in which district Anantnag alone has 195 units². Each unit manufactures on the average 14000 bats per annum (Imtiaz and Bilal August 2013) The cricket bat industry in Kashmir is already employing thousands of people and collectively exports thousands of cricket bats per year at a price ranging from rupees two hundred fifty to two thousand per bat. (Dar Bilal et al. 2014)

REVIEW OF LITERATURE

In order to gain background knowledge of problem and to identify appropriate methodology, research design, methods of measuring concepts and techniques of analysis to be able to formulate the problem precisely, it seems logical to present a brief review of the available literature relating directly or indirectly to the field under study.

Imtiaz and Bilal (August 2013)³, the authors highlighted that the fast economic development everywhere has been made possible essentially due to rapid industrialization. The important factors which favour rapid industrialization as a means to fast economic growth are; higher productivity of labour than in agriculture, more easy availability of industrial surplus for investment. The industrial sector contributes significantly to the achievement of a self sustaining economy with continued higher levels of investment, rapid rate of increase in income and employment.

Bilal et al. (September 2012)⁴, the study explains that Cricket bat industry has a tremendous potential of absorbing unemployed educated youth and contributes significantly to the state's economy.



¹ Directorate of Industries and commerce Jammu and Kashmir

² Diagnostic study report of cricket bat manufacturing cluster in district Anantnag

³ "Impact of disturbances on cricket bat manufacturing industry in Kashmir valley", International journal of research in social science, volume-3, issue-3 pp 175-183,

⁴ Growth, performance and challenges of cricket bat industry of Kashmir India, International Journal of Educational Research and Technology, Volume 3 (3)

The biggest handicap of the industry is the willow, as the main raw material itself, which takes decades to grow to the size required for making bats.

Imtiyaz and Bilal (February 2014)⁵, the study depicts that Cricket Bats manufacturing industry is a very prominent segment of the sports goods industry in Kashmir valley. Cricket bats are manufactured from willow wood which is found in abundance in Kashmir valley owing to its peculiar climatic conditions. Although, this industry has got promising prospects to flourish due to huge demand-supply gap, yet its growth has remained, by and large, restricted to District Anantnag only. With this backdrop, the study was conducted to actually examine the status and viability of this industry.

Matoo Javid, (June 2009)⁶, points out that cricket bat manufacturing cluster is mostly concentrated in a 15 km radius along Jammu and Kashmir national highway between Bijbehara and Awantipora, due to which more and more people especially from Halmulla, Sangam, Sether, Bijbehara, Miirzapora etc places of District Anantnag got attracted towards this trade. The author also highlights that Cricket bat industry has a tremendous potential of absorbing unemployed educated youths and can contribute to the GSDP. The Cricket bat industry will jump into national and international arena and create a place for the industry in competitive international market.

Objective of the Study

1. To evaluate costs at different stages of production of cricket bats.
2. To study value chain analysis of cricket bat manufacturing enterprise.

METHODOLOGY

The study is based on both primary and secondary sources of information. Information related to Value chain analysis of cricket bat manufacturing industry in Kashmir has been compiled from field survey. The sources of secondary data include Diagnostic Study Report of Cricket bat Cluster, District Industries Centre, Anantnag, magazines, journals etc. The value chain analysis has been used to know about the value additions at various stages of manufacturing of cricket bats.

Value Chain Analysis

The above flowchart depicts the value chain of the cricket bat-manufacturing units in the Anantnag. It describes the amount of value addition done at each stage of processing. The main activities involved are:

- Procurement of raw material i.e. willow clefts
- Processing of willow clefts for manufacturing of cricket bat
- Importing of cane handles.

The price of round cubic feet of willow logs in the market is Rs 250 to Rs.300.00 on cash payment while the price can increase by Rs 50-100 on credit basis. The willow logs having girth more than 34 inches are sawn for willow clefts and the smaller

girth willow logs are used for making shooks i.e. wooden boxes popular for apple packing. On an average the normal rate of willow cleft is Rs. 100 per piece. The natural seasoning of the willow cleft takes around 7-12 months which means that the working capital gets blocked for this period, which hampers the business cycle. However, if the cluster sets up its own seasoning plant then the willow clefts can be dried within 24-36 hours and thus making a huge difference in the working capital flow. When the seasoning of the cleft is completed, the clefts are shaved on an electric saw according to the required length of bat and a wedge fashioned cut is also made in the willow cleft to fit the cane or wooden handle. This is followed by planning with the help of wooden/hand planner. The normal rate for machining a cleft for making a rough blade is Rs. 3. Therefore, the average rate of willow cleft after machining comes out to be Rs. 103 (Rs.100+3). The clefts are then graded for manufacturing of season bats. The blades are pressed to make the wood flexible. This is a skill full job and hence is done by an expert craftsman of the unit. Majority of the damages occur during pressing. The season bats are more pressed as compared to tennis bats. While compensating the damages made, the average rate of pressing is fixed around Rs.4 for season bat blade and Rs.2 for tennis bat blade. To the season bat, a cane handle is fitted and based on the quality of cane, rubber strips and the number of pieces in the handle, its cost varies from Rs.50 to Rs.70. Then the cost of Rs.3 for twine and glue is added and finally the cost of a seasoned cricket bat reaches around to Rs.157 to Rs. 177. While the cost of tennis bat fitted with a wooden handle (costing from Rs 10-15) and the twine for Rs.2, comes out to be around Rs.115 to Rs 120. The sanding, polishing, stickers, and packing as shown in the figure will bring the cost of the seasoned cricket bat to Rs.252 to 272, while the cost of tennis bat will come to Rs.148 to 158. There are other input costs like capital, labour, transport and other costs, which comprises about Rs 100 for seasoning bat and Rs 50 for tennis bat. Therefore total cost per bat is estimated to be Rs 352 to 372 for seasoned bat and 198 to 298 for tennis bat. The selling price of the seasoned cricket bats ranges from Rs.250- 2000, with an average price of Rs 700 per bat and that of the tennis bat is around Rs. 300-350, with an average price of Rs 250 per bat. (Dar bilal et al. 2014) Therefore, the study reveals that returns per rupee of invest of this manufacturing enterprise 1.4 for seasoned bat and 1.2 for tennis bat.

Market Mechanism

Marketing has rightly been regarded as the key to the success of modern business. This view is further corroborated by Peter Drucker, who says that "there is only one valid definition of business purpose to create a customer." He further says, "Because it is its purpose to create a customer, any business enterprise has two- and only these two- basic functions; marketing and innovation.

Marketing is a comprehensive process of bridging the gap between the producer and consumer. It "is the creation and delivery of a standard of living." Marketing is a dynamic sense involves; finding out what consumers want; then planning and developing a product or service that will satisfy those wants, and then determining the best way to price, promote and distribute the product or service Barthwal.R.R, (2008), P- 272.

⁵ Cost and return analysis of Cricket bats manufacturing Industry in Kashmir Valley of India, Iosr journal of economics and finance volume 3, issue 1. Vol. I, pp 20-31.

⁶ "Small Industries Cluster Development Programme, An Appraisal of Cricket Bat Cluster Sether Anantnag", Quarterly Development Journal, Janib-i-Manzil

The Kashmir willow cricket bats are sold to other Indian states like Punjab, Uttar Pradesh, Delhi, Maharashtra, Madhya Praesh, Gujarat, Chennai, Bangalore, Hyderabad and Kolkata etc. Among the forward linkage members, there are marketing agents, direct marketing and large industries. Most of the marketing is done through the marketing agents. However, the unit holders along with their produce visit the Indian cities to sell their product directly in the market. The willow clefts are supplied in lacs of numbers to Jalandhar, Jammu and Meerut based cricket bat-manufacturing units. It is worth mentioning here that almost 80% of the world production of cricket bats is done in India for which the willow is supplied from Kashmir

CONCLUSION

The cricket based industry will provide employment to large number of skilled, semiskilled and unskilled people. The industry has readily available raw material especially willow and poplar for manufacturing of cricket bats. Other allied sports goods item like cricket balls, gloves, leg guard, for which raw material in the shape of sheep skin hides is available in abundance in the valley, the matter is the only providing the necessary know-how. Realizing the scope of the industry, State Govt. should take initiatives by providing the industrial unit holders such kind of facilities which will encourage them to producing more at least cost and also helps them to export more and more products to outside as well as ease their work. Therefore, cricket bat industry will jump into national and international arena and create a place for the industry in competitive international market.

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