



JEEViKA

An Initiative of Government of Bihar for Poverty Alleviation

**Bihar Rural Livelihoods Promotion Society
State Rural Livelihoods Mission, Bihar**



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Ref. No.: BRLPS/PROJ/NF/236/11/615

Date: 15/5/13

POLICY NOTE: AGARBATTI INTERVENTION

PART I: INTRODUCTION, OBJECTIVE AND STRATEGY

1) Introduction

A large number of poor households linked to Self Help Groups (SHGs) are involved in Agarbatti (Incense stick) making for the last many years. Such households are mainly located in and around Gaya district which is a hub of Agarbatti making. In a survey conducted by the Block Project Implementation Unit at Dobhi, it was found that there are around 1500 households of SHG members in Dobhi alone who are earning a part of their income through this activity. This presents JEEViKA with the scope of introducing an intervention that can help the SHG members involved in Agarbatti making to earn better returns through a community run enterprise model focused on quality production and efficient market linkages.

In the current scenario, the Agarbatti making business is being run by the traders who are into this business for many years. These traders supply measured quantity of inputs (on weight basis) to the poor households especially women and take the finished product by weight. The payment of labor charges to the producer is based on weight of input supplied/returned and the quality of Agarbatti rolled. The labor charges paid to these women varies from Rs.14-20 per Kg. Better price is paid depending on the quality of the Agarbatti made. For poor women, Agarbatti making is a supplementary activity which they can undertake along with their routine work. Inferior quality of chemicals used the process is a major health hazard as the Agarbatti dough is regularly in contact with the skin of the person rolling the Agarbatti. The end user of Agarbatti may also get adversely affected if the quality of incense used in Agarbatti making has any side effects.

Considering the above factors, this activity is desired to be brought under the organized sector fold for which intensive efforts are required on several fronts. Agarbatti making is a labor intensive work and relies on the skills of Agarbatti maker. Though several efforts have been made by the big players in the business to replace manual labor

by machines, they have not been fruitful till date as the cost of the mechanization process renders the whole activity financially unviable. Therefore the labor plays a vital role in the business. The number and quality consistency of Agarbatti makes the difference in terms of better payment for the produce.

In present scenario, the Agarbatti rollers are least concerned about the quality of the Agarbatti rolled as the incentives are least encouraging. Involvement of lesser skilled family members also adversely affects the quality. This can be overcome by setting specific technical parameters and designing payment systems that incentivize better quality. Formation of producer groups and working as an organized enterprise will provide the producers with an opportunity to have a better control on the quality of output and hence better bargaining power for labor charge on output. In future, scale up activities like scenting unit of Agarbatti may be established to earn better margin on every kg of produce. Overall, an intervention on the Agarbatti making may not only increase the income of SHG members but also develop a better future prospect of business for them.

2) Strategy:

- a. Creating institutions of producers: Currently, production of Agarbatti is completely unorganized. The first step will be to bring producers in one fold by organizing them in groups of 30-40 members to form producer groups (PGs).
- b. Capacity Building of members on quality aspects: Currently individuals/producers have different perception about the quality of Agarbatti. Uniformity in understanding about the quality parameters is essential for uniformity in the collective output. So, the PG members will be trained on quality parameters in Agarbatti making.
- c. Financing the groups: The producers groups will be initially financed through JEEViKA for creating/hiring infrastructures and purchasing assets for running the business. The working capital for the purchase of inputs and payment of labor charges will be given as loan.
- d. Manpower support from the project: The project staff will support the Agarbatti business by providing producers with on-site-implementation support in activities like logistics management and market linkage.
- e. JEEViKA will facilitate arrangements with institutional buyers to ensure availability of markets for the product round the year.
- f. Value addition activities in raw Agarbatti will be facilitated in future to ensure better returns to the producers.



3) Objectives:

The target is to develop Agarbatti rolling as a sustainable business model for the SHG members providing reasonable income and around the year market to them at their door steps. The objectives are as follows:

- Creating producer groups managed and run by producers themselves.
- Linking producer groups to organized market with emphasis on quality of rolled Agarbatti.
- Providing training to producers on quality standards and improvised technology.
- Collective purchase for economies of scale and quality control of inputs.
- Production planning based on input consumption and sales to streamline processes.

PART II: POLICY DETAILS

4) Institutional Structure

Each producer group will have around 40 members. Out of them there will be three office bearer members, namely the President, the Secretary and the Treasurer. A 3 member Purchasing Committee will carry out functions like placing order for raw materials, checking the quality of the raw materials on their arrival at the store house and facilitating the process of mixing of charcoal and Jigat (binding material in Agarbatti manufacture). There will be a Social Audit Committee for each Producer Group. The 3 member Social Audit Committee will be responsible for quality checks of finished raw Agarbattis and vigilance during the manufacturing procedure which will ensure best quality raw Agarbattis for sale. Each producer group will have one Agarbatti Resource person (ARP) who will be responsible for conducting regular meetings in the group and maintaining the books of records and will provide facilitation and handholding support to the members of the group as and when required. (For further details please refer to the revised ARP policy at Annexure-D).

The criterion for selection of members of social audit /procurement committee:

1. The member should at least be signature literate.
2. Vocal and functionally literate member should be preferred.
3. The consent of all the members should be taken before selection of members of the committee.



Eligible Activities:

The eligible activities for funding of Agarbatti intervention at various stages are as follows:

Stage	Activities
Training to PG/sub-committee members for their roles and responsibilities	Formal decision on formation of PG by office bearers of VO General body meeting for selection of office bearers Selection of members of procurement and social audit committee
Training to office bearers/sub-committee members/ARP on quality issues.	Facilitation of training and capacity building of concerned members
Transfer of grant and loan amount for business activities.	Appraisal of proposal of producer group by concerned VO, CLF, BPIU and DPCU for funding of PG. Opening of bank account of PG
Training to store keeper	Selection of store location and necessary renovation if needed Selection of store keeper by CLF/federation of PG

5) Funding Envelope and Fund Flow:

The funding envelope for Agarbatti intervention has been divided into two parts.

In the first part:

- Each Producer Group will be funded an amount of Rs.1, 73,500 as working capital for Agarbatti business along with a support of Rs 10,000 for the payment of Agarbatti resource person. The details of the said amount are given in Annexure-A as part of the proposal by Producer Group to the CLF.
- Each CLF will be funded an amount of Rs.2, 87, 000 for the establishment of storehouse and purchase of its furniture and fixtures and payment of staff, labour and transport cost. Each store will serve as a central hub catering to all the producer groups coming in the area of cluster/block (as required).

The funding to the Producer Group will be routed through the parent CLF whereby the CLF will be providing a loan of Rs. 1, 73,500 to the producer group at 6% simple



interest repayable in 48 monthly installments of equal amount. Along with this amount a grant of Rs 10000/- (Rupees ten thousand only) will be released to each producer group for payment of Agarbatti resource person in initial stages (for about five months). However the producer group will be given a moratorium period of 5 months and repayment of loan will start 6th month onwards from the date of deposit of amount in the account of producer group. In places where CLFs have not yet been formed, the funds will be channeled directly through the corresponding BPIUs. The overall monitoring and management will be taken over by the CLF of the cluster as and when it gets functional.

	CID	CIF	Total
PG	10000(grant)	1,73,500(loan)	1,83,500
Store(CLF)	2,64,000(grant)	23000(grant)	2,87,000
Grand total(Rs)	2,74,000	1,96,000	4,70,500

In the second part:

Establishment of scenting unit may be done only if a surplus of 30-35 ton of raw Agarbatti per month is achieved and federation of PGs takes a decision to this effect.

As and when the Producer Groups display sufficient capability to handle higher level business activities, they may federate into a Producer Company or similar body to effectively manage the Agarbatti business at a larger scale. The higher federation will also be instrumental in leveraging institutional credit needed to scale up the business.

6) Milestones and Triggers for Funding:

The fund would be released to the producer groups and cluster level federation/nodal village organization with the following triggers:

For the first stage:

- Formation of Producer Groups of around 40 members each and election of office-bearers and selection of Agarbatti resource person in each group.
- Opening of bank account of each group and completion of necessary paperwork
- Training to office bearers of producer groups, Agarbatti resource person, store keeper and members of sub-committees on their roles and responsibilities.
- Training of members on quality issues and management of the producer group at suitable facilities.
- Proposal submission by producer groups along with project report.

- Signing of agreement between nodal village organization /cluster level federation and Agarbatti producer groups. (Please refer to annexure B for details).

For the second stage:

- Once the producer groups have 30-35 tonnes of surplus Agarbatti (for starting of scenting unit) and federation of producer groups decides to start the scenting unit.
- Funding triggers for the second stage will be further detailed once plans to initiate these activities are made.

PART III: KEY RULES, COMPLIANCE AND APPRAISAL CHECK AND MONITORING

7) Key Rules:

- Inclusion:* PGs shall include all members from the self help group households who are involved in Agarbatti making and/or are interested in joining the Agarbatti producer groups.
- Transparency:* All decisions of the group should be taken in a transparent manner and all information and benefits formally conveyed among all the members. The monthly meeting of the producer group must discuss the compliances of decision taken in the last meeting, discuss the physical and financial progress of the producer groups and make /revise plans for the next month in line with the annual action plan made by them. Any action related to financial transaction must be made after decision to this effect has been taken and recorded in minute's book of PG and duly signed by members of the producer group. Every producer group member will have a member pass book in which all the transactions of individual members with the producer group will be recorded.
- Accountability:* The groups will be accountable to the members and their stakeholders (suppliers, employees and purchaser of produce) and office bearers of the producer group, procurement committee and social audit committee will be held fully accountable for all decisions made.
- Participation:* All members should participate and voice their concerns in decentralized decision making while discussing action plan, quality of inputs, issues related to payment of labour charges and other such issues of concern.
- Profit orientation:* The Producer Groups should have 'for profit' business orientation while ensuring social justice. They shall be able to recover all costs of operations and make a small surplus for sustaining and expanding the activities of the groups.
- Benefit large numbers:* The Producer Groups should benefit large number of members engaged in production of Agarbatti. Only one member from a household would be eligible for membership of PG. Also, one woman cannot be a member of more than one PG.



- g) *Local value addition:* The Producer Groups will build on local resources, skills and capacities and as such local value addition in terms of quality improvement (grading and sorting), processing, packing, branding etc. of commodities will be particularly encouraged to ensure that the producers are able to capture maximum value from the consumer rupee.
- h) *Techno-economic feasibility:* Each producer group will develop a plan covering complete production cycle for at least one year. The support to Producer Groups will be based on their plans which would be assessed on technical and financial viability.
- i) *Gap funding:* In the medium to long term, the Producer Groups are expected to be self sustaining with an ability to meet all their operational expenditures. The plans of the Producer Groups will feature a clear resource mobilization plan indicating the sources of funds including member contributions and the commitments received. The support from the project will be limited to meet the initial development costs (like group formation, trainings and small scale productive infrastructure costs) and the viability gap in the business plans.
- j) *Partnerships:* The project will encourage the Producer Groups to develop business linkages with cooperative or private sector partners for skilling/training their members, technology transfer, quality management, input delivery, value addition, market linkage and marketing extension.
- k) *Environmental impact:* The activities of the Producer Groups should be ecologically responsible and not have any negative environmental impacts. Adequate mitigation measures should be built-in as per the environmental guidelines in the activity/business plans.



8) Appraisal and Compliance Check:

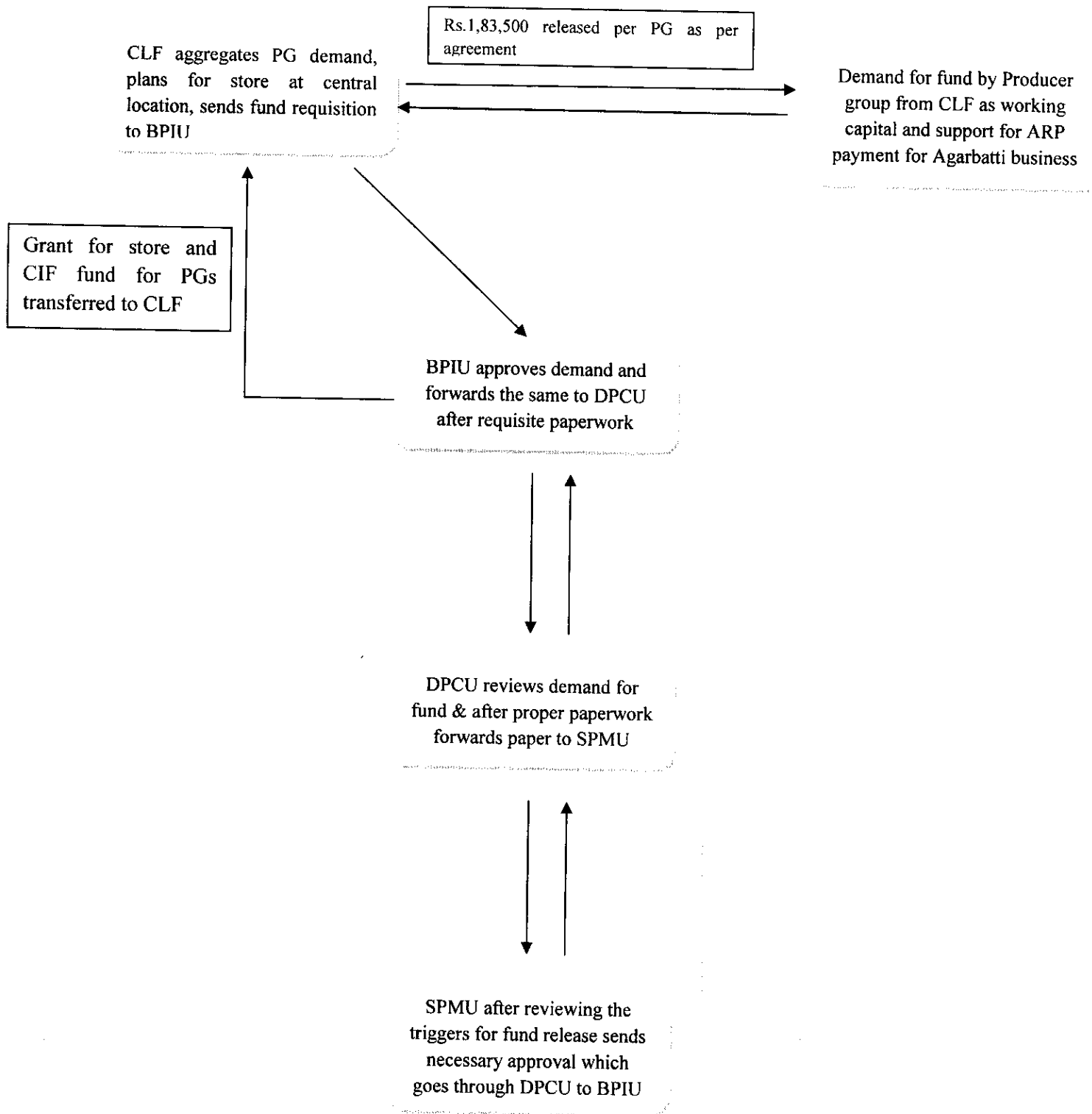
The business plan of the producer group will be vetted by CLF before the recommendation is made to the project for support. The appraisal team of the project will have at least one member who has technical expertise in the Agarbatti production. The Appraisal team will also seek external technical assistance (depending on the product) to appraise technical and economic viability. The areas of appraisal of the business plans of Producer Groups include the following:

Appraisal points	Staff responsible	BPIU	DPCU	Duration
Inclusion	President of PG	Dedicated staff on Agarbatti from BPIU	Manger(NF/LH)	Half yearly
Member contribution	Treasurer of PG	Dedicated staff on Agarbatti from BPIU	--	Quarterly
Store stock	Procurement committee members of PG	Dedicated Agarbatti staff at block level	Manager(NF/LH)	Monthly
Books of records	President of PG	BPM & Dedicated staff for Agarbatti at block level	Finance Manager/Manger (LH/NF)	Quarterly



9) Disbursement:

The disbursement of fund to the PGs is depicted through the following flow-chart:



An agreement has to be signed between cluster level federation and producer group before release of fund to producer groups. The prototype of the agreement is given in Annexure-B.

10) Monitoring and Reporting:

First level monitoring will be done by respective CLF depending upon the geographic coverage of the producer groups. Producer Groups shall submit progress against milestones for funding and monthly reports against the activity plan to the village organization/cluster level federation. PG will share the information on funding and profits with their members in their monthly meetings. The various tools and processes for monitoring are as under:

- The Producer Group will present a monthly progress report to the CLF. The monthly progress format is enclosed in Annexure C. Also attached are formats for ARP register and storekeeper's register in Annexure-E
- The ARP will be responsible for maintaining the minute's book and ARP Register and data for demand generation. The details of finished raw Agarbattis for each member can be captured from this register.
- The storekeeper will be responsible for maintaining the store register, stock register and data for inputs and finished raw Agarbattis can also be captured from the same.

The next level of monitoring will be done on quarterly basis by a team consisting of DPM/respective BPM, Manager (LH/NF) and finance manager and CLF president. The monitoring will involve outputs (physical/finance) and checking of books of records and interacting with members to validate it as given below:

1. Records of minutes of meeting of PG and fund release in cash book and bank pass book
2. Member's pass-book and quality and payment details on ARP register.
3. Stock in store with reference to stock book.



PART IV IMPLEMENTATION

11) Roles and Responsibilities of PG members and project staff.

The project staff and community members will jointly work for the success of the Agarbatti intervention. The roles and responsibilities of the community members and are enumerated below:

Roles and responsibilities of office bearers

- The office bearers will be the signatory authorities in each producer group.
- The office bearers will ensure that the books of records are properly maintained.
- The office bearers will be the key responsible persons for maintenance of funds and disbursal of payments to other members.
- The office bearers will prepare a progress report of the monthly activities of the group and submit the same to the CLF.
- It will be the responsibility of the office bearers to ensure that loan installments of the working capital along with interest are being repaid to the CLF without default.

Roles and responsibilities of the Purchasing Committee

- The purchasing committee will be responsible for placing orders with the supplier on the basis of demand generated by the members of the group keeping in mind that there should be 45 days stock at all times in the storehouse.
- The purchasing committee will be responsible for initial quality check of the supplied inputs.
- The purchasing committee will facilitate during the mixing of charcoal and jigat to ensure requisite mixture ratios for desired quality are maintained.

Roles and responsibilities of the Social Audit Committee

- The social audit committee will be responsible for maintaining vigilance among the members of the group to ensure no adulteration takes place.
- The social audit committee will also ensure that no child labor takes place during the manufacturing process.
- The social audit committee will help in assisting members on quality control issues.

Roles and responsibilities of ARP: Please refer to Annexure-D

The roles and responsibilities of the supporting project staff will be as follows.



Roles and responsibilities of CC:

<i>1st quarter</i>	<i>2nd quarter</i>	<i>3rd quarter</i>
Opening of bank account for new producer groups	Inclusion of members into existing/new PGs	Formation of new PGs based on demand and feasibility
Selection of stores	Ensure refresher training to all the concerned groups members on various topics like quality	Bank account opening of PGs
Ensure training to all the concerned groups members on various topics like quality and other aspects of the business	Monitoring of books of records at store	Selection of stores
Selection and training of store keeper	Monitoring of books of records at PGs	Ensure training to all the concerned groups members on various topics like quality
Facilitate purchase of furniture/equipments by Purchasing Committee	Support in logistic management and supply of inputs to PGs and output from PGs to store	Facilitate selection and training of store keeper
Training to ARPs/storekeepers on various formats.	Refresher Training to PG OBs on performance and financial status assessment	Support in purchase of furniture/equipments
MoU between PG and CLF for financing	Support in purchase of inputs by procurement committee members	Training to ARPs/storekeepers on formats
Training to PG's office bearers on performance and financial status assessment	Ensure safe storage of materials in store	MoU between PG and CLF for financing
Facilitate purchase of inputs by procurement committee members	Facilitate quality check of materials supplied to store by PG members	Training to PG OBs on performance and financial status assessment
Ensure safe storage of materials in store	Inventory management in stores	Facilitate purchase of inputs by procurement members

PART V ANNEXURES

Annexure-A

Proposal by Producer Groups for Funds

1 Raw Materials

The raw materials required for the manufacture of raw Agarbattis are:

- i. Charcoal
- ii. Jigat
- iii. Bamboo Stick
- iv. Norwa Powder

Charcoal and jigat are mixed into a paste and rolled over bamboo stick which is then coated with Norwa powder to give it a fine texture and works as a drying agent. This is the procedure for manufacture of raw Agarbatti stick.

2 Purchase of Raw Materials

The raw materials will be collectively purchased from a single dealer in Kiranighat market of Panchayati Akhara in Gaya district. The materials will be randomly tested by members of Purchase Committee for uniformity and quality before purchase.

3 Cost calculation of Agarbatti (per Kg.)

Ingredients	Quantity (Kgs.)	Rate/Kg.	Amount(Rs.)
Charcoal	5	7	35
Jigit	2	50	100
Bamboo Stick	4	35	140
Norwa Powder	2	12	24
TOTAL			299
ASSUMING HANDLING LOSS OF 8%			Rs.24.9/Kg
Rounded-Off Total			Rs. 25/Kg.



So the cost of raw materials for Agarbatti comes to Rs. 25/Kg after assuming a handling loss of 8%.

4 Demand for Capital

Funds need to be transferred to bank account of PG Group as capital to begin operations by the members. The calculation for capital is shown below.

Sl. No.	Particulars	Amount(Rs.)
1	<u>Total Cost of Inputs</u> 40 members*2.5Kgs/day/member*45 days* stock*Rs.25/Kg.	1,12,500
2	<u>Labor Charge per Group for 1 month</u> 40 members*2.5Kgs/day/member*30days*Rs.20/Kg.**	60,000
3	Cost of two 5kgs. weighing scale***	1000
TOTAL		1,73,500

* Assuming order to be placed each month and backup stock of 15days in store

** Assuming labor charges as Rs.20/Kg according to prevailing market rates

*** Assuming cost of each 5Kgs. weighing scale to be Rs.500/-

Therefore Rs.1,73,500 has to be transferred to the bank account of Producer group as capital.

5 Store/Staff related Expenditure (per store)

There will be a store house for each block of Dobhi and BodhGaya where raw materials will be stored and finished products stocked. The fund for construction of store and maintenance of staff will be transferred to CLF on a one-time ex-gratia basis. The store/staff related expenditure is shown below:

Sl. No.	Particulars	Amount (Rs.)	Remarks
1	Room rent/electricity @Rs.3000/month	36000	

2	Hiring of Staff	a)72000 b)48000	a)2 <u>book-keepers@Rs.3000/</u> person / month b)2 <u>guards@R.2000/</u> person/ month
3	Hiring Laborers	36000	2 laborers for 10 days/month @Rs.150/day
4	Transport of Goods	72000	One pick-up van @Rs.1500/day for 4 days a month per store(weekly trips)
5	Cost of stationery items/office furniture	12000	@Rs.6000/store
6	Cost of two 25Kgs weighing scales	10000	@Rs.5000/weighing scale
7	Miscellaneous	1000	
TOTAL		2,87,000	

6 ARP Payment (for 5 Months)

ARPs will play key responsibilities of support services like maintenance of books of records, generation of demand and facilitation in purchase, grading and sorting of raw materials and finished products. The funds for payment to ARP will be transferred to the bank account of PG on a one-time ex-gratia basis. The breakup of ARP payment is shown below:

Particulars	Amount(Rs.)	Remarks
ARP Payment	10,000	Rs.2000/month(expected) per ARP for 5 months



Annexure-B

संकुल संघ /ग्राम संगठन तथा अगरबत्ती उत्पादक समूह के बीच मानक अनुबंध

यह एकरारनामा संकुल संघ, प्रखण्ड जिला
..... तथा अगरबत्ती उत्पादक समूह प्रखण्ड के मध्य
दिनांक; को स्थान पर सम्पन्न हुआ तथा यह एकरारनामा
अनुबंध हस्ताक्षर की तिथि से मान्य होगा।

अनुबंध का उद्देश्य : -

संकुल संघ द्वारा अगरबत्ती उत्पादक समूह को वित्तीय पोषण हेतु शर्त निर्धारण करना है।

उपर्युक्त उभयपत्र निम्नांकित एकरारनामा करने पर सहमत है -

- इस एकरारनामे के तहत दोनों पक्ष स्वयं सहायता समूह के सदस्यों को अगरबत्ती उत्पादन हेतु प्रोत्साहित करेंगे।
- संकुल संघ प्रतिमाह अगरबत्ती उत्पादक समूह के कार्यों, भुगतान एवं भविष्य की यांजनाओं के विषय में समीक्षा करेगा।
- अगरबत्ती उत्पादक समूह में स्वयं सहायता समूह के सदस्य ही सदस्यता ले सकते हैं।
- अगरबत्ती उत्पादक समूह को ग्राम संगठन / स्वयं सहायता समूह द्वारा ऋण के रूप में उपलब्ध कराई गई राशि निम्नलिखित शर्तों के अनुरूप वापस की जाएगी -

समयावधि	ब्याजदर	शर्त
48 माह	6 प्रतिशत	प्रतिमाह निर्धारित राशि का भुगतान अगरबत्ती उत्पादक समूह द्वारा किए जाने पर
60 माह	500 रुपये प्रतिमाह दण्ड के साथ	48 माह में पूर्ण भुगतान न होने पर

- लाभ होने की स्थिति में - अगरबत्ती उत्पादक समूह शामिल सभी सदस्यों को उनके उत्पादन के अनुरूप लाभ वितरित करें।
- अगरबत्ती उत्पादक समूह अपनी मासिक प्रगति प्रतिवेदन संकुल संघ मासिक बैठक में लाएंगे।
- अगरबत्ती उत्पादक समूह द्वारा भौतिक एवं वित्तीय विवरण संबंधित पुस्तिका में नियमित रूप से उद्धृत किया जायेगा। संकुल संघ की अंकेक्षण समिति अगरबत्ती उत्पादक समूह में जाकर संबंधित बही का समय-समय पर अंकेक्षण कर सकती है।
- अगरबत्ती उत्पादक समूह कार्यवाही पुस्तिका एवं अन्य लेखा पुस्तकों का संधारण करेगा।

- अगरबत्ती उत्पादक समूह के सदस्यों की गुणवत्तायुक्त अगरबत्ती उत्पादन हेतु समय-समय पर प्रशिक्षण की आवश्यकता होगी। संकुल संघ आवश्यकतानुसार अगरबत्ती उत्पादक समूह के सदस्यों के प्रशिक्षण हेतु व्यक्ति / एजेंसी की संवाएँ लेकर उद्देश्य की प्राप्ति करेगा।
- अगरबत्ती उत्पादक समूह को यह सुनिश्चित करना होगा कि उसके अधीन गठित की गई उपसमितियाँ पूरी तरह से क्रियाशील हैं तथा अपने कर्तव्य का निर्वहन कर रही हैं।
- अगरबत्ती उत्पादक समूह अपने कार्यकलाप, हिसाब-किताब रखने के लिए संबंधित पुस्तिका में नियमित रूप से अद्यतन करेगा तथा अपने सदस्यों को इस संबंध में पूर्ण जानकारी उपलब्ध करायेगा।
- अगरबत्ती उत्पादक समूह ऋण राशि/ व्यवसाय में लगाई अन्य राशि / सामान का प्रयोग अगरबत्ती व्यवसाय के अतिरिक्त किसी और रूप में नहीं करेगा।
- शुरुआत में उत्पादक समूह संकुल संघ इकाई के रूप में कार्य करेगी। भविष्य में आवश्यकता होने पर उत्पादक समूह निबंधन करा सकता है।
- संकुल संघ द्वारा प्रदान की जा रही वित्तीय / तकनीकी सहायता एवं प्रशिक्षण का सही उपयोग न करने पर या उपर्युक्त शर्तों के आधार पर कार्य नहीं करने पर अगरबत्ती उत्पादक समूह से दी गयी राशि किसी भी समय वापस ले सकता है।

हस्ताक्षर
संकुल संघ पदाधिकारी

अध्यक्ष -

सचिव -

कोषाध्यक्ष -

गवाह 1

गवाह 2

दिनांक :

स्थान :

हस्ताक्षर
अगरबत्ती उत्पादक समूह पदा०

अध्यक्ष -

सचिव -

कोषाध्यक्ष -

गवाह 1

गवाह 2

परिशिष्ट - 1

- 1- उत्पादक समूह का नाम :
- 2- ग्राम का नाम :
- 3- प्रखंड का नाम :
- 4- जिला का नाम :
- 5- उत्पादक समूह के सदस्यों की सूची:

क्रम सं०	उत्पादक समूह के सदस्यों का नाम	स्वयं सहायता समूह का नाम
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6. अगर्बती उत्पादक समूह के बैंक खाते का विवरण :

क्र० संख्या	बैंक का नाम	खाता संख्या	खाते का स्वरूप	बैंक में खाता चलाने हेतु प्राधिकृत व्यक्तियों के नाम
				नाम
1				1
				2
				3
2				1
				2
				3
3				1
				2
				3



Annexure-C

Monthly progress report of Agarbatti producer group (Physical)

Name of PG:

Block/district:

Sl. No.	Particulars	Target	Actual	Remarks
1	Total number of members involved in Agarbatti production			
2	Total number of members involved in Agarbatti production in current month			
3.	Total quantity of inputs distributed among members			
3	Total quantity of Agarbatti produced			
4	Total quantity of production graded as A			
5	Total quantity of production graded as B			
6	Total quantity of production graded as C			
7	Total quantity of production rejected			
8	%Handling loss of input by PG			



Monthly progress report of Agarbatti producer group (Financial)

A. sale of Agarbatti(Kg)		
Amount from sale (Rs)		
B. Expense		
1. Input purchase		
2. Labour charge payment		
3. Transport		
4. Rent		
5. Misc		
Total		
C. Loan amount		
Surplus		



Annexure-D

Agarbatti Resource Person (ARP) policy (Revised)

Background:

A large number of poor households of Self help groups are involved in Agarbatti making for last many years. Such households are mainly located in and around Gaya district as Gaya is hub of Agarbatti making. In a survey conducted by BPIU, Dobhi in its block, it has been identified that there are around 1500 households of SHG members in Dobhi itself who are earning a part of income through this intervention. According to reports from DRDA it has been estimated that there are around 34000 households involved in this activity in Gaya district alone.

Rationale for Agarbatti resource person:

In the current scenario, the Agarbatti making business is being run by the traders who are into this business for many years. These traders supply measured quantity of inputs (on weight basis) to the poor households especially women and take the finished product by weight. The payment of labor charges to the producer is based on weight of input supplied/returned and the quality of Agarbatti rolled. The labor charges paid to these women varies from Rs.14-20 per Kg. Better price is paid depending on the quality of the Agarbatti made. For poor women, Agarbatti making is a supplementary activity which they can undertake along with their routine work. Inferior quality of chemicals used the process is a major health hazard as the Agarbatti dough is regularly in contact with the skin of the person rolling the Agarbatti. The end user of Agarbatti may also get adversely affected if the quality of incense used in Agarbatti making has any side effects.

Considering the above factors, this activity is desired to be brought under the organized sector fold for which intensive efforts are required on several fronts. Agarbatti making is a labor intensive work and relies on the skills of Agarbatti maker. Though several efforts have been made by the big players in the business to replace manual labor by machines, they have not been fruitful till date as the cost of the mechanization process renders the whole activity financially unviable. Therefore the labor plays a vital role in the business. The number and quality consistency of Agarbatti makes the difference in terms of better payment for the produce.

In present scenario, the Agarbatti rollers are least concerned about the quality of the Agarbatti rolled as the incentives are least encouraging. Involvement of lesser skilled



family members also adversely affects the quality. This can be overcome by setting specific technical parameters and designing payment systems that incentivize better quality. Formation of producer groups and working as an organized enterprise will provide the producers with an opportunity to have a better control on the quality of output and hence better bargaining power for labor charge on output. In future, scale up activities like scenting unit of Agarbatti may be established to earn better margin on every kg of produce. Overall, an intervention on the Agarbatti making may not only increase the income of SHG members but also develop a better future prospect of business for them.

It has been realized over the period of time in the project that more effective participation of community could only be ensured through regular interaction, mobilization, guidance and frequent follow up at their door steps. It requires intensive and focused efforts from the member within the community involved in this business. So, need for an Agarbatti Resource Person has been realized to create awareness among the SHG members rolling Agarbatti to form producer groups and work to improve the quality of output and hence increase their income.

Criterion for selection of Agarbatti Resource Person (ARP):

1. The Incense Resource Person may be a male or female.
2. The Incense Resource Person should be from the same village as the Producer Group (PG).
3. S/He should have ability to convince or motivate Agarbatti making members to adopt the Agarbatti rolling with quality specification promoted by JEEVIKA.
4. S/He must be an Agarbatti maker from the SHG Households.
5. Preferably be 8th pass or at least be able to read and write.
6. Preferably be between 18-45 age groups.

Process of identification of an Agarbatti Resource Person (ARP):

1. The Producer Group will discuss in their meeting regarding the requirement of an Agarbatti Resource Person for their group to provide Agarbatti intervention support services to their members.
2. Based on the above mentioned criteria the Producer Group in its meeting will identify & select one Agarbatti Resource Person in their group.
3. Performance assessment of IRP will be done on monthly basis by executive committee of Producer Group.



4. In case of absence of IRP due to some reason second line IRP will be created to take over roles/ responsibility of IRP for the given period.
5. After selection, the Incense Resource Person/s information will be collected in a specific format (*format given below*) and given to the Block Project Manager of the concerned Block Project Implementation Unit (BPIU) through the Community Coordinator and Area Coordinator.
6. The Agarbatti Resource Person has to open a bank account in the same branch, where the VO has the bank account.

Format for Information of the Agarbatti Resource Person

1. Name of the Agarbatti Resource Person
2. Father's / Husband's Name
3. Sex
4. Age
5. Qualification
6. Address
7. Telephone / Mobile No. (if any)
8. Bank Account No.

The Agarbatti Resource Person has to provide 2 pass port size photographs

Orientation of Agarbatti Resource Persons (ARPs):

Agarbatti Resource Persons will undergo training to create awareness on the following topics:

1. Quality of inputs to be used for making Agarbatti.
2. Process of rolling Agarbatti to match the required specification of the end product.
3. Technical specifications for Agarbatti to be counted as acceptable quality by purchasing agency/agencies.
4. Maintaining book of records.



Roles and Responsibility:

- a. Facilitate the Village Organization meetings designated to identify the SHG members for the adoption of Agarbatti intervention.
- b. Participate in training programs and refresher courses related to Agarbatti production (input procurement, rolling, scenting etc.) organized from time to time.
- c. Generate weekly demand from members of Producer group (PG) for determination of supply of quantity of inputs from store (there is a provision of store at block level to store inputs and raw Agarbatti rolled by members) to members.
- d. Facilitate purchase committee members in procuring quality inputs from the market.
- e. Facilitate in sorting Agarbatti rolled by members, based on quality specification in association with quality management committee members.
- f. Coding of raw Agarbatti rolled by individual member before sending them to store: It has to be done to track the quality of rolled Agarbatti.
- g. Identify typical implementation problem and conflicts on grading of Agarbatti, if any, present it in PG weekly meetings for solution.
- h. Maintenance of Books of Records related to Agarbatti interventions
 - Agarbatti Resource Person (ARP) Register
 - Stock Book
 - Any other book prescribed.
- i. Train and motivate existing members on quality raw material procurement and production of Agarbatti as per the specification. It is the responsibility of ARP to upgrade the Agarbatti quality made by PG members for which they will regularly conduct training program for the PG members.
- j. The ARP will visit all the households involved in Agarbatti making in their village at-least once in a week and motivate them to join the producer group.



Honorarium

Rs 1.25 per Kg for super quality (i.e.1900 pcs or above per kg of input; Rs 1/Kg for acceptable quality (i.e.1400 pcs or above per kg of input); Rs 0.50 for poor quality (<1400 pcs per kg of Agarbatti produced).

Sl. No.	Condition	Payment amount(Rs)
A	For first six months	
1	2000 kg per PG per month and 50% of more produce is of acceptable quality	Full
2	If 2000 kg per month per PG and >50% of produce is of acceptable quality	10% deduction in payment
B	After first six months	
1	If more than 70% of produce is acceptable quality	Full
2.	If 70-50% of produce is of acceptable quality	10% deduction in payment
3.	If <50% of the produce is of acceptable quality	20% deduction in payment

In case a PG produces less than 2000 Kg Agarbatti per month and finds ARP responsible for the shortfall, an amount of Rs 0.25 per Kg of shortfall of production may be deducted from the remuneration of ARP. Decision in this regard will be taken by the Executive Committee of PG. For first twelve months the honorarium may be paid from grant fund, after which respective producer groups will bear the cost of IRPs.

Monitoring of ARPs:

PG will monitor the progress of the IRP and sanction the amount to be paid on monthly basis. The monthly progress report will be first discussed in the meeting with LH (Specialists) of respective block and then placed in the PG for approval. Fortnightly meeting of IRPs with LH(S) will be held to discuss various issues related to Agarbatti business and address other grievances of PG members.



Monthly progress report from ARP

Name of ARP:

Name of PG-

Sl. No.	Indicator	Achievement		Remarks
		Last month	Current month	
1	Quantity of Agarbatti rolled (Kg)			
2	Quantity of inputs supplied to members(Kg) per month			
3	No. of members involved in the enterprise			
4	No. of members who have produced more than 50 Kg rolled Agarbatti per month			
5	Quantity of output graded			
a)	Super fine			
b)	Not super fine but acceptable			
c)	Not acceptable			
6.	Average No. of members of PG attending the weekly meeting			

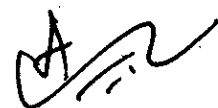


AGARBATTI RESOURCE PERSON REGISTER



Bihar Rural Livelihood Promotion Society, Patna

STOREKEEPER REGISTER

Handwritten signature or initials in black ink, located in the bottom right corner of the page.

