

PROJECT NO. 289

**A STUDY OF THE CLUSTERING OF PADDY
PROCESSING UNITS IN AND AROUND KALADY**

SUMMARY REPORT

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(Chief Project Co-ordinator)

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Chapter - I

SCHEME OF THE STUDY

INTRODUCTION

Kalady, the birthplace of great Advaita Philosopher Sree Sankaracharya, is one of the important pilgrim centres of Kerala. It has also been emerging as a prime centre of Paddy Processing Units in Kerala over the past few years. Every day hundreds of trucks carrying paddy are brought here from various parts of Kerala and also from the adjoining states of Tamil Nadu, Andhra Pradesh and Karnataka for the purpose of processing. Paddy processing which was once done as a cottage industry, scattered all over the State, has been clustering to Kalady and its adjoining areas, making this locality to emerge as a high-tech multi-crore industrial centre. Kalady is the prime trading centre of rice in Kerala and the market price of rice is determined by the wholesale rice traders who are also the owners of such industrial units in and around Kalady.

It is estimated that there are 72 Paddy Processing Units in the organised sector in the district of Ernakulam. Of these, 8 units are defunct. Out of these 72 units, 58 units are fully automated, 3 are semi- automated and the remaining 11 units are non- automated. 55

out of the 72 units in the district of Ernakulam are clustered in an around Kalady. Also there are several unregistered Paddy Processing Units in this locality. Among the registered units, 22 are fully automated, 29 are semi- automated, 3 are non- automated and 1 unit is under construction. On an average, one fully automated unit is having the processing capacity of 100 tons of paddy and a semi - automated unit is having a processing capacity of 60 tons respectively per day. The production of all the non- automated units together come about 30 tons per day. Thus altogether these processing units have the processing capacity of 3,970 tons per day. The contribution of Paddy Processing Units in and around Kalady accounts for 76.38 per cent of the total quantity of paddy processed by these mills. The total quantum of paddy processed comes about 3215.7 tons per day. 20 per cent of the paddy processed becomes paddy husk. This comes about 643.14 tons per day and Rice bran which constitute 5 per cent of the paddy processed come around 160.79 tons per day.

Due to the agglomeration of Paddy Processing Units, this area has been developing at an amazing pace as a brisk trading centre of rice in the State. The present Research Project probes into the socio-economic, cultural and historic reasons behind the clustering of Paddy Processing Units in this locality besides analyzing the production and marketing performance of such units. More over, the present study also attempts to analyze the organizational structure,

extent of capacity utilization, pattern of deployment of labourers, pattern of investment, etc., of the Jute Bag Manufacturing Units, which cater to the needs of the Paddy Processing Units in the locality.

RELEVANCE OF THE STUDY

The present Study intends to make a comprehensive Survey and documentation of the Paddy Processing Units in and around Kalady. It involves the identification and analysis of the causes behind the Clustering of Paddy Processing Units in this locality. Hence the present Study assumes great relevance in the context of local level development because no study of this kind has so far been attempted on these lines.

OBJECTIVES OF THE STUDY

Following are the main objectives of the Study:

- To probe into the historical, socio-cultural and economic factors behind the clustering of Paddy Processing Units in and around Kalady.
- To identify the geographical distribution of the Jute Bag Manufacturing Units, which cater to the needs of the Paddy Processing Units in and around Kalady.
- To analyze the organizational structure, extent of capacity utilization, pattern of deployment of labourers, pattern of

- investment, etc., of the Jute Bag Manufacturing Units in the locality.
- To analyze the production and marketing problems of the Jute Bag Manufacturing Units in and around Kalady.
 - To analyze the production and marketing performance of the Paddy Processing Units in the locality.
 - To analyze the extent of co-operation and competition among these units.
 - To identify the major problems confronted by the Paddy Processors in the study area.
 - To give the Case Histories of select Traditional Paddy Processors in and around Kalady who were thrown out of the field due to the emergence of High-tech Modern Rice Mills in this locality.
 - To give suitable suggestions based on the findings of the Study.

METHODOLOGY

The study is an empirical one, based mainly on primary data. A Sample Survey of the Paddy Processing Units (both Registered and Unregistered) and the Jute Bag Manufacturing Units in the Project Area has been undertaken for this purpose. In addition to this, Surveys, Interviews and discussions among the workers and traders associated with paddy processing and jute bag manufacturing industry in this area have also been carried out to analyze various facets of

these industries. P.R.A. techniques have also been utilized for eliciting information, wherever it is found necessary.

Primary and Secondary data pertinent to the study have also been collected from the Paddy trading centres, the people who were involved earlier in paddy processing and trading in the study area, the Merchants Associations and other official and non-official sources. Discussions and Interviews have also been carried out among the owners and workers of Jute Bag Manufacturing Units in the area under study.

Field Work and Data Collection Tools

Two sets of structured schedules were used to collect primary data required for the study by conducting a Field Survey among the Jute Bag Manufacturers as well as the Paddy Processors. One set of schedules were used for collecting the information from Jute Bag Manufacturers, while the other set of schedules were used to elicit primary information from the Paddy Processors. The Sample Surveys were conducted among 27 Paddy Processors and 10 Jute Bag Manufacturers in and around Kalady. Before the actual Field Survey, Pilot Studies were carried out to include only the relevant questions and to eliminate the unnecessary ones.

LIMITATIONS OF THE STUDY

Though the study could be carried out from various angles such as from the points of view of the owners, consumers and workers, the scope of the present study is limited to the analysis from the point of view of the Jute Bag Manufacturers and the Paddy Processors in and around Kalady only. Due to the non – co-operation of 15 respondents and also due to the partial disclosure of information by some of the Paddy Processors (12 respondents), a Census Survey of the Paddy Processing Units could not be carried out. Most of the primary data required for the present study have been collected from sample respondents based on Sample Survey Method. As such, it is subject to the normal errors inherent to such social surveys due to the natural bias in the reporting of data by respondents. Even though utmost care has been taken in verifying the reliability of the data, the possibility of such errors cannot completely be ruled out.

PRESENTATION OF THE STUDY

The study is presented in Five Chapters:

- ❖ Chapter I deals with the Introduction, Relevance, Objectives of the study, Methodology, Sample Design, Field Work and Data Collection Tools and the Limitations of the Study.

- ❖ Chapter II is devoted to make an overview of the History of Clustering of Paddy Processing Units in and around Kalady.
- ❖ Chapter III analyses the Performance of Jute Bag Manufacturing Units in and around Kalady.
- ❖ Chapter IV makes an in depth analysis of the Production and Marketing Performance of Paddy Processing Units in and around Kalady.
- ❖ Chapter V deals with the Case Histories of select Traditional Paddy Processors in and around Kalady who were thrown out of the field due to the setting up of High – tech Modern Rice Mills in this locality.
- ❖ Chapter VI presents the Findings and Conclusions of the Study and the Suggestions and Recommendations based on the Findings of the Study.

Chapter - II

HISTORY OF CLUSTERING OF PADDY PROCESSING

UNITS IN AND AROUND KALADY – AN OVERVIEW

This chapter deals with the clustering of Paddy Processing Units in and around Kalady in a historical perspective and gives a bird's eye view of the Rice Mill Industry, which is concentrated in and around Kalady. It also presents a brief account of the activities of Paddy Brokers who play the decisive roles in the procurement of the key input, viz., the paddy, for the processing units. Section – I of this chapter gives an overview of the history of clustering of Paddy Processing Units in and around Kalady, while Section – II gives a brief account of the main players of the rice mill industry in this locality. Section – III provides a resume' of the activities of Paddy Brokers.

SECTION - I

Several factors are attributed to the clustering of Paddy Processing Units in and around Kalady. We have recorded the oral history of the traditional paddy processors and vendors who were thrown out of the industry consequent upon the introduction of modern technologies in the processing of paddy. We have made some preliminary observations based on the interviews and discussions with them, which are summarized as follows:

- ❖ Ideal location of Kalady for easy and cheap transportation of paddy from the two erstwhile native States, viz., Travancore, Kochi and also the Malabar Province of the Madras Presidency.
- ❖ Availability of firewood from the nearby forest for the processing of paddy.
- ❖ Availability of pure water.
- ❖ Experience and technical skill attained by the local people in the processing of paddy.
- ❖ Existence of Trade culture in Kalady, especially in Spices and Hill produces.
- ❖ This locality has been enjoying the benefits as the confluence of various trade routes.

History of the Stages of Evolution from the Traditional Methods of Paddy Processing to the Hi-tech Modern Rice Mills

Various stages of evolution of the paddy processing industry in Kalady can be summarized as under:

I. Processing of Paddy at the Household Level:

During this stage, the processors used to procure paddy in small lots from the nearby localities. Paddy required for processing was mainly collected from the wealthy farmers who had barns of their own, small farmers and agricultural workers. They used to take the procured paddy in head loads, by means of bullock-carts and country boats to their houses where the processing was mainly carried out manually. Women monopolized the whole process. Ezhavas and Christians from Angamaly and Kalady constituted the major percentage of these women processors and traders.

Rice was traded in open places near Kalady and Angamaly Junctions. It was also sold to households, hoteliers, agricultural workers, bamboo and forest workers of Forest Industries Travancore Ltd., etc.

II. Boiling and Drying of Paddy at the Household Level and De-husking in Hullers:

At this stage the first part of processing such as procurement, boiling and drying of paddy was done at the household level as in the first stage while de-husking was done in hullers. Separation of rice, broken rice, pinhead, rice bran, etc., were done manually by means of winnows and nets. Processors from various centres as in the first stage procured Paddy. But paddy was procured in bulk quantities and they used to store the paddy in selected centres and had transported the same by means of bullock carts instead of handcarts and head loads. At this stage, procurement and transportation paddy and selling of rice was done in the same way as in the first stage, but in association with male members in their family or immediate relatives. Three to four women processors were transporting the paddy and selling of rice in the nearby markets such as Aluva, Ernakulam, Mattanchery, etc. During this period, marketing was extended to a wider geographical area.

III. Shifting of Paddy Processing from Homesteads to Industrial Units:

Shifting of paddy processing from homesteads to industrial units started taking place during 1980's when the owners of several Hullers started processing

units along with their hullers in their premises. Even at this stage, paddy processing at the household level was going on in spite of the emergence of such small rice mills with minimum level of processing facilities. Some of the glaring points observed with regard to this stage are summarized as under:

- Paddy was brought directly to the rice mills by themselves from cultivators.
- Deployment of workers (both men and women) by the processors at various stages of processing.
- Emergence of Rice brokers in this locality by linking mill owners with rice traders from different parts of the State.
- Withdrawal of Traditional Paddy Processors from this field due to low competitiveness when compared to the newly emerged processing units.
- There were no brand name or product identification in the market for the rice brought out by various units.
- There was no advertisement campaign for marketing their products.
- Marketing activities have been extended from the district of Ernakulam to other districts of Kerala.
- Emergence of the 'National Seeds Corporation', a private registered agency authorized for the distribution of high-yielding varieties of seeds and the consequent changes in the areas of activities like the collection of paddy seeds from other States in India and distribution of the same in Kerala.
- Setting up of Rice Mill Owners' Association for their collective bargaining.
- Emergence of trade Union of workers.
- Division of labour in various stages of processing activities came into existence.

IV. Emergence of High-tech Modern Rice Mills:

High demand for ‘Kalady Rice’ from all parts of the State has necessitated the traders and processors to bring paddy in large quantities, by hook or crook, from anywhere it was available. Even though, there were some Government Regulations and restrictions with regard to the inter-state trade of paddy, processors and traders had succeeded in bringing paddy in large quantities from other States by taking advantage of certain loopholes in the Government Rules and Regulations. At this stage the processors also needed plants and machineries having large processing capacities, which led to the establishment of ‘Modern Rice Mills’ with all automatic-processing techniques to meet the ever-increasing demand for high quality rice.

Following are the important observations made:

- Large-scale procurement and trading of paddy has started in Kalady.
- ‘Modern Rice Mills’ with all processing facilities were established.
- Many of the existing processing units converted into ‘Modern Rice Mills’.
- Struggling of non-modernized units for existence became a common phenomenon.
- Many non-modernized units were closed due to low competitiveness (20 to 25 small processing units in this locality were thrown out of the industry, consequent upon the emergence of Modern Rice Mills).
- Auxiliary units like Jute Bag Manufacturing Units, Rice bran oil extraction units, engineering workshops, Mill stores, Rubber Sheller Manufacturing Units, etc., were emerged.

- A new class of commission agents consisting of paddy brokers, lorry brokers, rice bran brokers, etc. were emerged.
- Brand names were introduced for rice produced by each 'Modern Rice Mill'.
- Modern techniques were introduced for increasing the market share of each rice mill.
- Number of head load workers depending on this industry was increased drastically.
- Extent of involvement of commercial banks and other financial institutions like K.F.C, I.D.B.I., I.C.I.C.I., etc., was increased considerably.
- Strong marketing networks for every rice mill have evolved.
- Small dependent units, making use of the wastage (i.e., chaffy grains) of modern rice mills, have started functioning.
- High specialization of labour became inevitable for each operation/process.
- A large number of workers who were involved in the paddy processing units became unemployed.
- Out flow of natural resources available in and around Kalady such as river sand, crusher metal, granite, laterite, plywood, veneers, furniture, spices, etc., and the finished products of adjoining industrial units such as chemical fertilizers, country bricks, PVC pipes, storage tanks, hawai sheets, hawai chappals, etc., has increased considerably due to the influx of trucks and transport vehicles, which bring paddy from other states.

SECTION – II

Rice Mill Industry - An Overview

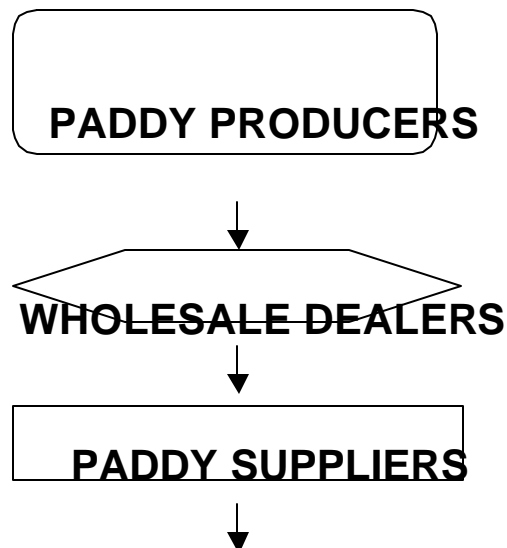
There are 55 Modern Rice Mills in and around Kalady. As a result of the clustering of modern rice mills, several ancillary units have come up and an array of allied activities providing both direct and indirect employment to hundreds of people in its locality. The ancillary units utilizing the by-products, providing inputs and infrastructure facilities to the modern rice mills in this locality include Rice Bran Oil Extraction Unit, Jute Bag Manufacturing Units, Engineering Workshops, Rubber Sheller Manufacturers, Mill Stores, Paddy Brokers, Rice Bran Brokers, Truck and Lorry Brokers, Rice Traders, Rice Exporters, Screen Printers, Suppliers of Screen

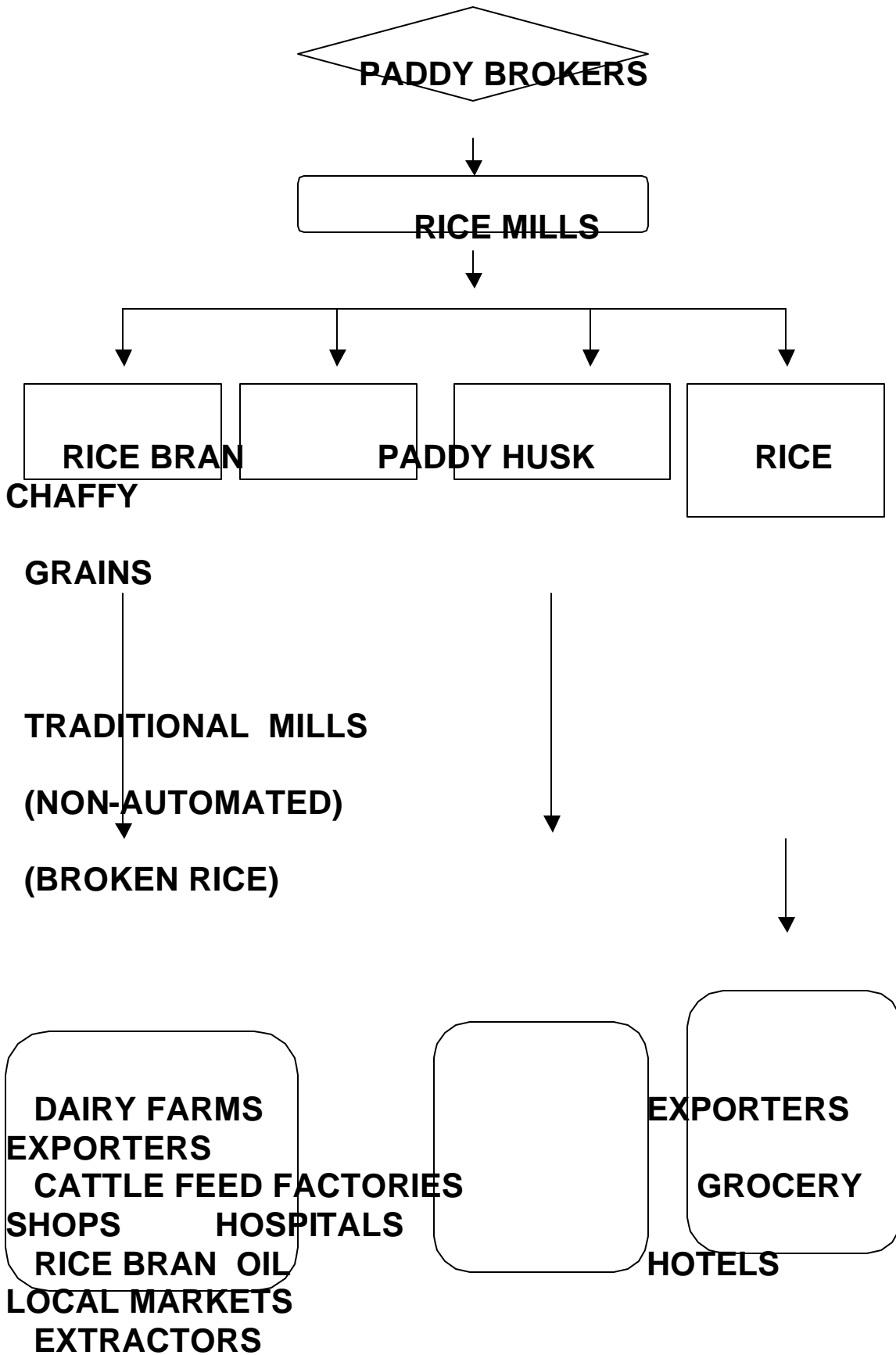
Printing Materials, Jute Bag Repairing Units, Jute Bag Procurers, Weigh Bridges, etc.

There is one (1) Rice Bran Oil Extraction Unit, Twenty one (21) Jute Bag Manufacturing Units, Fifteen (15) Engineering Workshops, Three (3) Rubber Sheller Manufacturing Units, Three (3) Mill Stores, Fifty (50) Paddy Brokers and Sub - brokers, Four (4) Rice Bran Brokers, Two (2) Truck and Lorry Brokers, More than fifty (50) Rice Traders, Three (3) Rice Exporters, More than fifteen (15) Screen Printers, Three (3) Suppliers of Screen Printing Materials, about twenty (20) Jute Bag Repairing Units, More than thirty (30) Jute Bag Procurers and Two (2) Weigh Bridges in this area to cater to the needs of the modern rice mills located here. Production and Distribution Channels of Paddy and Rice are given in Figure – I and the Main Players of the Rice Mill Industry Located in and around Kalady are exhibited in Figure – II.

Figure – I

**PRODUCTION AND DISTRIBUTION CHANNELS OF PADDY
AND RICE**

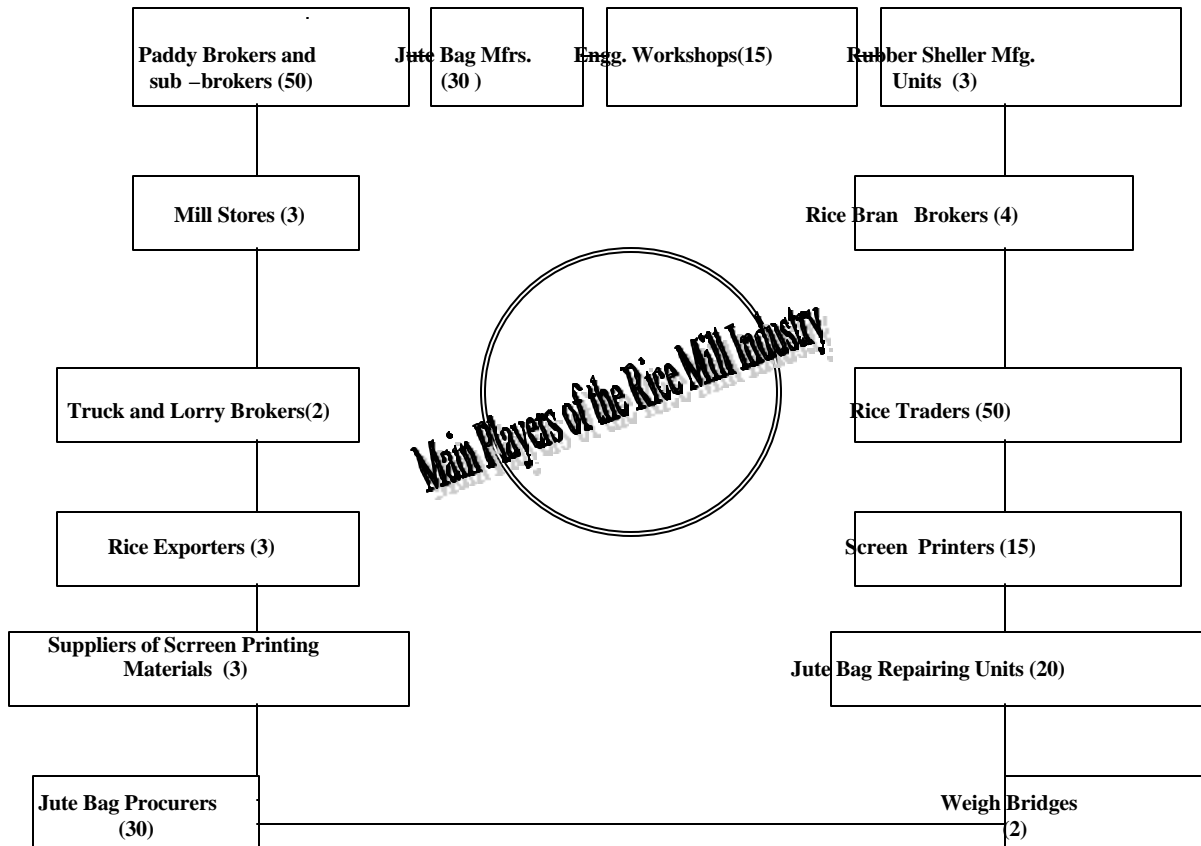




**CATTLE FEED -
FACTORIES**

SUPER MARKETS

**Figure – II
MAIN PLAYERS OF THE RICE MILL INDUSTRY
LOCATED IN AND AROUND KALADY**



SECTION – III

Activities of Paddy Brokers - A Resume'

There are 50 paddy brokers and sub- brokers in Kalady. Most of them are Rice mill owner turned paddy brokers. Paddy mainly brought from Karnataka, Tamil Nadu and Andhra Pradesh. Every day about 200 truckloads of paddy is being traded here. On an average 3 to 4 truck loads of paddy are being traded with the help of every paddy broker. Brokerage is 500 per truckload. Rs 100 each per truck load is given to the brokers ' assistant ' for taking the samples of paddy brought to the weigh bridge here .The bill is prepared by the broker in triplicate .One will be given to the Rice mill owner. Second will be given to the agent or representative of the paddy vendor and the third will be kept in his custody. Current rate of paddy traded here comes to Rs. 800 to 810 per quintal. If down payment is made or agreed to be made by the rice mill owner, the broker will allow a trade discount to the purchaser. Other wise no discount will be allowed. Usually the payment is made within 2 to 3 days time. Broker guarantees the payment to the paddy seller for which he

is given the brokerage. It is a matter of confidence and trustworthiness from the part of the broker, which enables him to make transactions on his behalf. There is no evidence as to the purchase or sale except the personal guarantee given by the broker. At times brokers may also involve in dispatching chaffy grains from modern rice mills to the breweries in Karnataka and Tamil Nadu. Now it is the harvesting season in Bhadravathi in Karnataka (i.e., May) and some other places in Maharashtra and Tamil Nadu. So some of the traders in Karnataka and Maharashtra have started bringing paddy to Kalady in lorries and in goods wagons. One consignment of paddy in goods train consists of about 180 truckloads. Three to four brokers associate together and use to bring paddy from Maharashtra and other States by means of goods train to Kalady via Angamaly. A part of the paddy brought from Maharashtra is through rail because the lorry freight is uneconomical (Rs.8500 to Rs. 9000 per lorry load). The broker as advance remits Rs.2000 per wagon and the remaining amount is paid by means of R.R. (Railway Receipt). On remitting the amount in bank (i.e., on clearing the R.R.) the brokers will be allowed to take delivery of the goods. If any broker is unable to clear the bills, they will approach other brokers having financial soundness to make cash payment for clearing the goods. In such contexts some main brokers who also are money lenders will get a substantial chunk of the profit earned (Rs.5000 per load), while the broker who has involved in the original deal will get a commission of Rs.500 per load.

During sluggish seasons some of the paddy brokers will also act as chaffy grains broker. They will arrange the required quantum of chaffy grains from the modern rice mills to those who require the same. They usually get a brokerage

of Rs.100 per tone (ie.10 paise per kg) which come about Rs.950 per lorry load .A major portion of chaffy grains which is a waste of modern rice mills is consumed by the traditional rice mills which have no other alternatives to survive in the midst of acute competition from such high -tech mills. These mills are engaged in grinding of the chaffy grains and they sell rice brain and broken rice .At present there are about 40 to 50 such mills in this locality, which are struggling for their existence. An important point to be observed in the context of clustering of modern rice mills is that the old mills were thrown out of the industry. Rice bran produced by these mills is sold to cattle feed factories and Dairy farms in Kerala and Tamil Nadu. Broken rice is sold in the local market. Some bulk traders in quantities also purchase broken rice and they pack the same in gunny bags and market in their brand names. Hospitals and Dairy farms are the major consumers of these items.

CHAPTER - III

PERFORMANCE OF JUTE BAG MANUFACTURING UNITS IN AND AROUND KALADY – AN ANALYSIS

This chapter deals with an in-depth analysis of the ownership pattern, educational background, extent of capacity utilization, deployment of workers, investment details, sex-wise classification of workers, etc. and the production and marketing problems of the Jute Bag Manufacturing Units in and around Kalady which cater to the needs of majority of the Paddy Processing Units in the study area.

The Project Team has visited some of the Jute Bag Manufacturing Units (10 units), which have come up in this locality for the supply of gunny bags to the modern rice mills for packing rice before it is dispatched to markets located in various parts of Kerala. The Team has identified that there are 30 such units in this area involved in the manufacture and supply of jute bags of varying sizes. Almost all

the Jute Bag Manufacturing Units in this area were established after 1990. Kerala Jute Bag Manufacturers and Traders Association were formed in September 1999 with its temporary office functioning in Perumbavoor. Though the Association was formed in 1999, it is not yet registered. Now there are 14 Jute Bag Manufacturers associated with it. 3 units are unregistered and the remaining 13 units are yet to be registered with the Association. The Association of Jute Bag Manufacturers has agreed among themselves in fixing uniform rates for different types of jute bags manufactured and sold by them. The Association has also adopted certain policy measures for the common welfare of its members.

All the Jute Bag Manufacturing Units are registered as S.S.I. units for availing the industrial subsidy and to get immediate power connection required for operating these units. In 1990 there were only one or two Jute Bag Manufacturing Units in this locality. But now one can see an agglomeration of such units in this area. Following are some of the important points observed by the Project Team during the Field Investigation: -

CAPITAL INVESTMENT:

The minimum investment in machineries required for starting a tiny Jute Bag Manufacturing Unit comes about Rs. 3,00,000. Machineries include two or three motorized industrial stitching machines, one Jute sheet-cutting machine. In addition to this a Screen Printing unit is also required for Printing on the jute bags. A small industrial shed capable of accommodating 10 to 15 workers, depending on the

size of unit, is also required. Capital investment varies with the number of stitching and Screen Printing units. Most of the units make use of Industrial stitching machines made in Uttar Pradesh. Earlier the cost of each such gunny bag-stitching machine came around Rs. 50,000. But now the cost of such a unit comes between Rs. 25,000 and Rs. 30,000.

SOURCE OF RAW MATERIAL AND ITS COST:

Jute Sheets, the basic raw material of Jute Bag Making Units, are brought here from the Jute Mills of Calcutta. Three varieties of jute mats are mainly brought from Calcutta to meet the requirements of Jute Bag Manufacturers here. They are (1) Ganges variety (manufactured by Ganges Jute Mill) (2) Prabartak variety (produced by Prabartak Jute Mill) and (3) Ludlow variety (brought out by Ludlow Jute Mill). Earlier many of the Jute Bag Manufacturers used to bring jute mats manufactured by Ganges Mill. Quality of the products of Ganges Mill is inferior when compared to the Products of other mills. Price of mats is also less than the other varieties. The extent of color bleaching of each Jute mill differs and as such the color of mats manufactured by each company also differs. The Jute Bag Making Units here has also brought out Jute mats manufactured by Prabartak jute mill during recent years. Jute mats of the Ludlow Jute Mill are considered to be the best variety due to its whitish colour and finishing. Jute bags manufactured by making use of this mats also looks more attractive than the other varieties of jute bags

available in the market. But the price of jute mats of Ludlow Mill is higher than the price of mats produced by other mills.

Details regarding the Percentage-wise Distribution of Jute Bag Manufacturing Units in and around Kalady are depicted in Table no. 3.1

Table No. 3.1

Details regarding the Percentage-wise Distribution of Jute Bag Manufacturing Units in and around Kalady

Sl. No.	Study Area	No. of Units	% to Total
1	Kalady Grama Panchayath	1	10
2	Okkal Grama Panchayath	5	50
3	Perumbavoor Municipality	1	10
4	Rayamangalam Grama Panchayath	1	10
5	Malayattoor Neeleeswaram	1	10
6	Koovappady Grama Panchayath	1	10
Total		10	100

Source: Field Survey

Majority (50 per cent) of Jute Bag Manufacturing Units are situated in Okkal Grama Panchayath, which is in close proximity to Kalady Grama Panchayath. The rest of the Jute Bag Manufacturing Units (1 unit each) are located in Kalady, Perumbavoor, Rayamangalam, Malayattoor – Neeleeswaram and Koovappady Grama Panchayaths (Table No. 3.1).

Details regarding Area – wise concentration of the Jute Bag Manufacturing Units are presented in Table No. 3.2

Table No. 3.2

Details regarding Area – wise Concentration of the Jute Bag Manufacturing Units

Sl. No.	Name of the Unit	Location	Grama Panchayath / Municipality
1	Jute Bag Industries	Koovappady	Koovappady, Grama Panchayath
2	Excel Jute Works	Double Post, Okkal	Okkal Grama Panchayath
3	Krishna Jute Bags	Nambily, Okkal	Okkal Grama Panchayath
4	Cherupushpam Jute Bags	Okkal	Okkal Grama Panchayath
5	Thadikkaran Jute Bags	Marottichuvadu	Kalady Grama Panchayath
6	Coromandel Fibres	Pulluvazhy	Rayamangalam Grama Panchayath
7	Royal Packings	Thannipuzha	Okkal Grama Panchayath
8	Allied Jute	Perumbavoor	Perumbavoor Municipality
9	Sanjoe Jute Bag Industries	Thottuva Junction	Malayattoor – Neeleeswaram Grama Panchayath
10	Kripa Jute Centre	Okkal	Okkal Grama Panchayath

Source : Field Survey

Classification of Jute Bag Manufacturing Units in and around Kalady on the basis of their Ownership is presented in Table No. 3.3

Table No. 3.3

Ownership-wise classification of Jute Bag Manufacturing Units in and around Kalady

Sl. No.	Nature of Ownership	Numbers	% to Total
1	Proprietary	4	40
2	Partnership	6	60
3	Private Ltd. Co.	--	--
Total		10	100

Source: Field Survey

Majority (60 per cent) of the Jute Bag Manufacturing Units in the study area are of partnership type, while 40 per cent of them are of proprietary type. None of the Jute Bag Manufacturing Units are registered as Private Ltd. companies (Table No. 3.3)

Qualification-wise details regarding the Jute Bag Manufactures are given in Table No. 3.4

Table No. 3.4

Qualification-wise details of Jute Bag Manufactures

Sl. No.	Educational Qualification	Number	% to Total
1	Below S.S.L.C	--	--
2	S.S.L.C	7	33
3	Pre-Degree	9	43
4	Degree	5	24
5	Technical	--	--
Total		21	100

Source: Field Survey

43 per cent of the Jute Bag Manufactures are having an educational qualification of Pre-degree, while 33 per cent them have an educational qualification of S.S.L.C. Degree holders constitute 24 per cent of the total (Table No. 3.4).

Rank-wise details of Jute Bag Manufacturing Units on the basis of their installed capacities are shown in Table No. 3.5

Table No. 3.5

Rank-wise details of Jute Bag Manufacturing Units on the basis of their Installed Capacities

Sl. No.	Name of Unit	Installed Capacity	Rank
1	Jute Bag Industries	20,226	1
2	Excel Jute Works	7,000	2
3	Krishna Jute Bags	6,000	3
4	Cherupushpam Jute Bags	5,000	4
5	Thadikkaran Jute Bags	4,500	5
6	Coromandel Fibres	3,500	6
7	Royal Packings	3,000	7
8	Allied Jute	3,000	8
9	Sanjoe Jute Bag Industries	3,000	9
10	Kripa Jute Centre	1,000	10

Source: Field Survey

Jute Bag industries Koovappady ranks first with 20226 jute bags per day, followed by Excel Jute Bag works, with an installed capacity of 7000 bags per day. Krishna Jute Bags ranks third with an installed capacity of 6, 000 jute bags per day among the Jute Bag Manufacturing Units surveyed (Table No. 3.5).

Details regarding the Production of Jute Bag Manufacturing Units are exhibited in Table No. 3.6

Table No. 3.6

Details regarding the Production of Jute Bag Manufacturing Units

Sl. No.	Name of Unit	Actual Output	Rank
1	Jute Bag Industries	15,170	1
2	Excel Jute Works	2,000	2
3	Krishna Jute Bags	3,000	3
4	Cherupushpam Jute Bags	3,000	3
5	Thadikkaran Jute Bags	4,500	4
6	Coromandel Fibres	1,600	5
7	Royal Packings	2,500	6
8	Allied Jute	1,500	7
9	Sanjoe Jute Bag Industries	1,500	7
10	Kripa Jute Centre	750	8

Source: Field Survey

An analysis of the production of the units under study reveals that the Jute Bag Industries, Koovappady ranks first with a maximum output of 15, 170 bags per day, followed by Thadikkaran Jute Bags with a Jute Bag production of 4, 500

units per day. Krishna Jute Bags and Cherupushpam Jute Bags assume the third rank with 3, 000 bags each per day. Kripa Jute Centre has the lowest production of 750 units per day among the Jute Bag Manufacturing Units in the study area (Table No. 3.6).

Details regarding the capacity utilization of Jute Bag Manufacturing Units are given in Table No. 3.7

Table No. 3.7

Details regarding the Capacity Utilization of Jute Bag Manufacturing Units

Sl. No.	Name of Unit	Installed Capacity	Actual Output	Capacity Utilization Percentage
1	Jute Bag Industries	20,226	15,170	75.00
2	Excel Jute Works	7,000	2,000	28.60
3	Krishna Jute Bags	6,000	3,000	50.00
4	Cherupushpam Jute Bags	5,000	3,000	60.00
5	Thadikkaran Jute Bags	4,500	4,500	100.00
6	Coromandel Fibres	3,500	1,600	45.70
7	Royal Packings	3,000	2,500	50.00
8	Allied Jute	3,000	1,500	50.00
9	Sanjoe Jute Bag Industries	3,000	1,500	50.00
10	Kripa Jute Centre	1,000	750	75.00

Source: Field Survey.

An analysis of capacity utilization of the Jute Bag Manufacturing Units in the study area shows that Thadikkaran Jute Bag is the only unit, which utilizes cent per cent of its capacity (Table No.3.7). Jute Bag Industries, Koovappady and

Kripa Jute Centre assume the second and third position, each utilizing 75 per cent of their installed capacities. Excel Jute Bag Works has the lowest percentage of capacity utilization (28.60 per cent).

Details regarding the Sex-wise classification of Labourers in the Jute Bag Manufacturing Units are presented in Table No. 3.8

Table No. 3.8

Sex-wise details of the Labourers in the Jute Bag Manufacturing Units

Sl. No.	Name of Unit	Number of Male Labourers				Number of Female Labourers				Total (11)=(6)+(10)
		(3) Skilled	(4) Semi-skilled	(5) Unskilled	(6) Total	(7) Skilled	(8) Semi-skilled	(9) Unskilled	(10) Total	
1	Jute Bag Industries	7	--	--	7	1	--	--	1	8
2	Excel Jute Works	--	--	--	--	5	6	--	11	11
3	Krishna Jute Bags	--	--	--	--	6	9	--	15	15
4	Cherupushpam Jute Bags	--	--	--	--	12	13	--	25	25
5	Thadikkaran Jute Bags	2	--	--	2	5	3	2	10	12
6	Coromandel Fibres	1	2	--	3	4	5	--	9	12
7	Royal Packings	1	--	--	1	10	12	--	22	23
8	Allied Jute	--	--	--	--	3	5	--	8	8
9	Sanjoe Jute Bag Industries	--	--	--	--	2	3	--	5	5
10	Kripa Jute Centre	--	--	--	--	7	--	--	7	7
Total		11	2	--	13	55	56	2	113	126

Source: Field Survey

All the Jute Bag Manufacturing Units covered under the study mainly employ the female workers, except in the case of the Jute Bag Industries, Koovappady. Among the units employing the female labourers, Cherupushpam Jute Bags, Okkal has the maximum number of female workers (25 female workers), followed by Royal Packing (22 female workers) , Thannipuzha and Krishna Jute Bags (15 female workers), Nambily, Okkal (Table No. 3.8).

The analysis of the total investments made and loans availed by the units in the study area are carried out here and the details regarding the same are shown in Table No. 3.9

Table No. 3.9

Details regarding the Total Investment of Jute Bag Manufacturing Units

(Rupees in Lakhs)

Sl. No.	Name of Unit	Own funds		Borrowed Funds		Total Investment
		Amount	% to total	Amount	% to total	
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (3)+(5)
1	Jute Bag Industries	15.00	25.00	45.00	75.00	60.00
2	Excel Jute Works	4.00	40.00	6.00	60.00	10.00
3	Krishna Jute Bags	3.00	15.00	17.00	85.00	20.00
4	Cherupushpam Jute Bags	6.00	33.00	12.00	67.00	18.00
5	Thadikkaran Jute Bags	3.00	37.50	5.00	62.50	8.00
6	Coromandel Fibres	1.75	11.86	13.00	88.14	14.75
7	Royal Packings	2.00	20.00	8.00	80.00	10.00
8	Allied Jute	5.00	41.70	7.00	58.30	12.00
9	Sanjoe Jute Bag Industries	4.30	36.40	7.50	63.60	11.80
10	Kripa Jute Centre	1.00	16.70	5.00	83.30	6.00
Total		45.05	100.00	125.50	100.00	170.55

Source: Field Survey

The analysis of the investments made by the owners of Jute Bag Manufacturing Units reveals that Jute Bag Industries, Koovappady, has the largest amount of investment (Rs.60 Lakhs), followed by Krishna Jute Bags, Okkal (Rs. 20 Lakhs) and Cherupushpam Jute Bags, Okkal (Rs. 18 Lakhs). Kripa Jute Centre,

Okkal, has the lowest investment of Rs.6 Lakhs when compared to other Jute Bag Manufacturing Units in the locality (Table No. 3.9).

PRODUCTION AND MARKETING PROBLEMS OF JUTE BAG MANUFACTURING

UNITS

□ Uncontrollable Fluctuations in the Prices of Raw Materials

Mainly the dealers in West Bengal determine the raw material prices and these fluctuate incessantly as per the whims and fancies of the dealers. The prices set in the morning may change by the evening without any reason. Hence the prices of jute fabrics are almost unpredictable.

□ Shortage and High Cost of Raw Materials

High quality jute is produced only in the alluvial valley of the river Ganges and other parts of West Bengal. Floods and other natural calamities frequently affect the production of Jute resulting in the short supply of Jute fabrics. Besides these, one truck load of raw jute mat costs about Rs.2.6 lakhs and a high transportation charge of about Rs.24, 500 have to be incurred by the Jute Bag Manufacturers. A CST of 4 per cent also has to be borne by the Jute Bag Manufacturer for bringing the raw materials from Calcutta.

□ Lack of Skilled Labour

The State has a severe shortage of native skilled workers proficient in the production of Jute Bags. Hence skilled labourers called 'Bhais' are often brought by the Jute Bag Manufacturers of this locality from West Bengal. The workers brought from outside the State have to be provided with proper accommodation and other amenities besides high rates of wages. The wages paid to such workers exceeds Rs. 4,000 per month. Even though they are highly efficient when compared to the local workers, the deployment of such skilled workers from West Bengal is always beyond the means of small units engaged in the manufacture of Jute Bags.

□ High Wage Rates

As there is a shortage of skilled workers, namely, 'Bhais', the Jute bag Manufacturers have to deploy the local workers to tackle the problem. The local workers always demand a very high wage rate for their services.

□ **Low Utilization of Capacity**

As skilled workers are scarce, the manufacturers of Jute Bags employ local unskilled workers. But the native workers have low efficiency when compared to skilled workers brought from West Bengal. Hence many of the firms are not capable of utilizing their maximum installed capacity.

□ **Lack of Union for Jute Fabric Procures**

Jute fabric procures have no union or association of any sort and as such many problems arise at the time of purchase of raw materials. There is no consistency in respect of the Brokerage and Commission levied from the Jute Bag Manufacturers by these agents. Hence the prices of Jute fabrics always become volatile.

□ **Lack of a Registered Association of Jute Bag Manufacturers**

Another main problem encountered by the Jute Bag Manufacturers is the lack of an officially recognized Jute Bag Manufacturers' Association in the State. Although an unofficial association has been formed at Perumbavoor, it has not been able to solve many of the problems of the Jute Bag Manufactures in this locality.

□ **High Commission to Brokers**

As there is no association of either the Jute Fabric Suppliers or Jute Bag Manufactures, no one has been able to decide a stable amount of brokerage for bringing the raw materials required for production of Jute Bags. The exorbitant and indiscriminate rates of commission levied by the Jute Fabric Suppliers often result in high cost of production to the Jute Bag Manufacturers.

□ **Unhealthy Competition**

Acute and unhealthy competition pervades the whole Jute Bag Manufacturing Sector in this locality. Competitions among the Jute Bag Manufacturers often lead to conflicts among them and there are several instances where manufacturers, even after suffering losses, snatch the orders from the clients of other Jute Bag Manufactures. It is observed during the Field Survey that the same Paddy Processors have been purchasing jute bags from different Jute Bag Manufactures at the same time for availing maximum credit for their requirements of packing materials. Moreover, the Jute Bag Making Units in Mattanchery and Coimbatore, specialized in the production of jute bags used in the export of tea, cardamom and chemical fertilizers, visit the Rice Mills in Kalady during their sluggish season and take bulk orders for the supply of jute bags to these Paddy Processing Units. They provide ample credit facilities, i.e., 2 to 3 months to the Rice Mill Owners. At that time no Jute Bag Manufacturing Units in this locality will get orders for the supply of their products. This is also a severe threat to the Jute Bag Manufacturing Units in this locality. These have caused a steep decline in the profits of Jute Bag Manufacturing Units.

□ **High Volatility in the Prices of Jute Bags**

As the prices of raw materials are unpredictably volatile and the competition among the Jute Bag Manufacturers is unhealthy, the prices of Jute bags of different categories fluctuate uncontrollably. Within the last 3 years selling price of Jute Bags have come down by about 40 per cent causing a steep decline in profit of the Jute Bag Manufacturers. Some of the Jute Bag Manufacturing Units and Paddy Processors have started switching over from Jute Bags to Plastic Bags to tide over the situation by making slight alterations in their machineries.

□ **High Cost of Transportation of Finished Products**

The Jute Bag Manufacturers are supposed to make door delivery of the Jute Bags to their clients. Hence they have to bear all the expenses pertaining to the transportation, which in turn result in high cost of transportation.

□ **Lack of Product Identity / Brand Name**

Jute Bag Manufacturers in this locality do not have their own product identity, brand name / brand image or label, except their name boards displayed in front of their factory premises. Place of manufacturer or the name of the company is not printed anywhere on the bags produced and marketed by them.

CHAPTER – IV

PRODUCTION AND MARKETING PERFORMANCE OF PADDY PROCESSING UNITS IN AND AROUND KALADY – AN ANALYSIS

This chapter makes an in depth analysis of the Production and Marketing Performance of the Paddy Processing Units in and around Kalady.

Classification of Paddy Processing Units on the basis of the Nature of Ownership is given in Table No. 4.1

Table No. 4.1

Classification of Paddy Processing Units on the basis of
the Nature of Ownership

Sl. No.	Nature of Ownership	Numbers	% to Total
1	Proprietary	5	18
2	Partnership	18	67
3	Private Ltd. Company	4	15
Total		27	100

Source : Field Survey

Majority (67 per cent) of the Paddy Processing Units in and around Kalady, are of partnership type, while 18 per cent of them are of proprietary type. Units registered as per Companies Act constitute 15 per cent of the total (Table No. 4.1).

Classification of Paddy Processing Units on the basis of its Nature of Technology is given in Table No. 4.2

Table No. 4.2

Technology – wise classification of Paddy Processing Units

Sl. No.	Nature of the Unit	Numbers	% to Total
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1	Fully - automated	13	48
2	Semi – automated	14	52
3	Non – automated	--	--
Total		27	100

Source : Field Survey

52 per cent of the Paddy Processing Units are semi – automated, while 48 per cent of them are fully automated (Table No. 4.2). None of the units surveyed are non – automated in nature.

Classification of Paddy Processing Units on the basis of their Installed Capacities is given in Table No. 4.3

Table No. 4.3

Classification of Paddy Processing Units on the basis of

their Installed Capacities

Sl. No.	Installed Capacities	Numbers	% to Total
1	Less than 40 Tons per day	21	78
2	40 – 60 Tons per day	2	7
3	More than 60 Tons per day	4	15
Total		27	100

Source : Field Survey

Majority (78 per cent) of the units surveyed are observed to have an installed capacity of less than 40 tons per day and those units having an installed capacity of more than 60 tons per day represent 15 per cent of the total. Only 7 per cent of the units surveyed have an installed capacity of 40– 60 tons per day (Table No. 4.3)

Classification of Paddy Processing Units on the basis of their Capacity Utilization is given in Table No. 4.4

Table No. 4.4

Classification of Paddy Processing Units on the basis of
their Capacity Utilization

Sl. No.	Extent of Utilization of Installed Capacity	Numbers	% to Total
1	Units having full utilization of their installed capacity	22	81
2	Units having partial utilization of their installed capacity	5	19
Total		27	100

Source : Field Survey

An analysis of the capacity utilization of the Paddy Processing Units in the study area reveals that 81 per cent of the units utilize their full capacity and 19 per cent of them do not fully utilize their installed capacities.

Classification of Paddy Processing Units in and around Kalady on the basis of the Number of Workers Employed are given in Table No. 4.5

Table No. 4.5

Classification of Paddy Processing Units in and around Kalady on
the basis of the Number of Workers Employed

Sl. No.	No. of Workers	Numbers	% to Total
1	Up to 25	15	55
2	25 – 40	4	15
3	40 – 50	7	26
4	50 & Above	1	4
Total		27	100

Source : Field Survey

Majority (55 per cent) of the units surveyed deploy up to 25 workers at various stages of their production. Those units, which deploy 40 – 50 workers, represent 26 per cent of the total. Units deploying 25 – 40 workers constitute 15 per cent of the total. Only 4 per cent of the units surveyed are observed to be deploying more than 50 workers (Table No. 4.5).

Classification of Paddy Processing Units on the basis of the Number of Skilled Workers Employed is given in Table No. 4.6

Table No.4.6

Classification of Paddy Processing Units on the basis of the Number of Skilled Workers Employed

Sl. No.	No. of Workers	Numbers	% to Total
1	Up to 5	17	63
2	5 – 10	8	30
3	10 & Above	2	7
Total		27	100

Source : Field Survey

Classification of Paddy Processing Units on the basis of the number of skilled workers indicates that majority (63 per cent) of the units utilize up to 5 skilled workers. The units, which utilize 5 - 10 skilled workers, represent 30 per cent of the total. Only 7 per cent of the units are observed to be utilizing more than 10 skilled workers.

Classification of Paddy Processing Units on the basis of the Number of Semi Skilled Workers Employed is given in Table No. 4.7

Table No. 4.7

Classification of Paddy Processing Units on the basis of the Number of Semi Skilled Workers Employed

Sl. No.	No. of Semi skilled Workers	Numbers	% to Total
1	Up to 5	8	30
2	5 – 10	10	37

3	10 – 15	6	22
4	15 – 20	2	7
5	20 & Above	1	4
Total		27	100

Source : Field Survey

Majority (37 per cent) of the units surveyed utilize 5 – 10 semi skilled workers at different stages of their production. The units, which deploy the semi skilled workers up to 5 numbers, represent 30 per cent of the total. Units deploying 10 – 15 semi skilled workers account for 22 per cent, while those utilizing 15 – 20 semi skilled workers represent 7 per cent of the total. Only 4 per cent of the units surveyed are observed to be utilizing more than 20 semi skilled workers (Table No.4.7).

Classification of Paddy Processing Units in and around Kalady on the basis of the Number of Un-skilled Workers Employed is given in Table No. 4.8

Table No. 4.8

Classification of Paddy Processing Units on the basis of the Number of Un-skilled Workers Employed

Sl. No.	No. of Un-skilled Workers	Numbers	% to Total
1	Up to 10	3	11
2	10- 25	18	67
3	25 – 40	5	18
4	40 – 50	1	4
5	50 & Above	--	--
Total		27	100

Source : Field Survey

CLASSIFICATION OF PADDY PROCESSING UNITS ON THE BASIS OF THE NUMBER OF UN-SKILLED WORKERS REVEALS THAT MAJORITY (67 PER CENT) OF THE UNITS UTILIZE 10 - 25 WORKERS (TABLE NO. 4.8). THE UNITS, WHICH UTILIZE 25 - 40 UN-SKILLED WORKERS REPRESENT 18 PER CENT, WHILE THE UNITS DEPLOYING UP TO 10

UNSKILLED WORKERS CONSTITUTE 11 PER CENT OF THE TOTAL. ONLY 4 PER CENT OF THE UNITS ARE OBSERVED TO BE DEPLOYING 40 - 50 UNSKILLED WORKERS. NONE OF THE UNITS SURVEYED ARE FOUND TO BE DEPLOYING MORE THAN 50 UN-SKILLED WORKERS.

Classification of Paddy Processing Units on the basis of the Extent of Changes Made in case of the Number of Workers is given in Table No. 4.9

Table No. 4.9

Classification of Paddy Processing Units on the basis of the Extent of Changes Made in case of the Number of Workers

Sl. No.	Extent of Changes made in the number of workers	Numbers	% to Total
1	Units made changes in the number of workers	8	30
2	Units which did not make any changes in the number of workers	19	70
Total		27	100

Source : Field Survey

70 per cent of the units surveyed did not make any significant changes in their number of workers, while 30 per cent of the units have made changes in their number of workers (Table No. 4.9).

Classification of Paddy Processing Units on the basis of Changes Made in the Number of Employees is given in Table No. 4.10

Table No. 4.10

Classification of Paddy Processing Units on the basis of Changes Made in the Number of Employees

Sl. No.	Type of Changes	Numbers	% to Total
1	Units which increase the number of employees	3	38
2	Units which decrease the number of employees	1	12
3	Units which change the number of employees depending up on the quantum of production	4	50
Total		8	100

Source : Field Survey

Out of 8 units, which have effected a change in the number of employees, 50 per cent of them have changed the number of employees depending up on the quantum of their production. 38 per cent of the units have increased their number of employees, while 12 of the units have decreased their number of employees (Table No. 4.10).

Classification of Paddy Processing Units on the basis of Recruitment of Skilled Workers is given in Table No. 4.11

Table No. 4.11

Classification of Paddy Processing Units on the basis of Recruitment of Skilled Workers

Sl. No.	Location of Recruitment of Workers	Numbers	% to Total
1	Local Area	11	40
2	Outside the District	7	26
3	Outside the State	4	15
4	Local Area and Outside the State	2	7
5	Local Area and Outside the District	1	4
6	Outside the District and Outside the State	1	4
7	Local Area, Outside the District and Outside the State	1	4
8	Others	--	--
Total		27	100

Source : Field Survey

Classification of Paddy Processing Units on the basis of the location of recruitment of skilled workers reveals that majority (40 per cent) of such units have recruited their skilled workers from the local area. 26 per cent of the units

have recruited their skilled workers from outside the district, while 15 per cent of such units have recruited their skilled workers from outside the State. Those who have recruited their skilled workers from local area and outside the State constitute 7 per cent of the total. The units, which have recruited their workers from local area and outside the district, outside the district and outside the State and all other categories mentioned above represent 4 per cent each (Table No. 4.11).

Classification of Paddy Processing Units on the basis of Recruitment of Unskilled Workers is given in Table No. 4.12

Table No. 4.12

Classification of Paddy Processing Units on the basis of Recruitment of Unskilled Workers

Sl. No.	Location of Recruitment of Unskilled Workers	Numbers	% to Total
1	Local Area	1	4
2	Outside the District	2	7
3	Outside the State	18	67
4	Local Area, Outside the District	1	4
5	Outside the District and Outside the State	2	7
6	Local Area and Outside the State	2	7
7	Local Area, Outside the District and Outside the State	1	4
8	Others	--	--
Total		27	100

Source : Field Survey

Classification of Paddy Processing Units on the basis of the location of recruitment of unskilled workers reveals that majority (67 per cent) of such units have recruited their unskilled workers from outside the State (Table No. 4.12). The units, which have recruited their unskilled workers from outside the district, Outside the District and Outside the State and Local Area and Outside the State account for 7 per cent each of the total. The units which have recruited their unskilled

workers from the local area, local area and outside the district and all other categories mentioned above represent 4 per cent each.

Details regarding the Sources of Procurement of Paddy by the Processing Units are presented in Table No. 4.13

Table No. 4.13

Details regarding the Sources of Procurement of Paddy by the Processing Units

Sl. No.	Sources of Procurement of Paddy	Numbers	% to Total
1	Within the district only	3	11
2	Outside the district but within the State	3	11
3	Within and outside the district	3	11
4	Outside the State only	--	--
5	Outside the district but within the State and Outside the State	9	33
6	Within and outside the district and Outside the State	5	19
7	Outside the district but within the State, Within and outside the district	2	7
8	Within the district, Outside the district but within the State and Outside the State	1	4
9	Within the district and Outside the State	1	4
Total		27	100

Source : Field Survey

33 per cent of the units surveyed procure paddy from outside the district but within the State and Outside the State, while the units, which procure paddy from within and outside the district and Outside the State represent 19 per cent of the total. 11 per cent each of the Paddy Processing Units procure their raw materials from within the district, from outside the district but within the State and from within and outside the district (Table No. 4.13).

Classification of Paddy Processing Units on the basis of their Pattern of Procurement of Raw Materials is given in Table No. 4.14

Table No. 4.14

Classification of Paddy Processing Units on the basis of their Pattern of Procurement of Raw Materials

Sl. No.	Pattern of Procurement of Paddy	Numbers	% to Total
1	Through local Paddy brokers	15	55
2	Through Paddy brokers outside Kerala	--	--
3	Through Paddy brokers within and outside Kerala	1	4
4	Through agents appointed by the concern	2	7
5	Direct purchase from cultivators in Kerala	--	--
6	Direct purchase from cultivators outside Kerala	1	4
7	Purchase through wholesale agents from Kerala	--	--
8	Purchase through wholesale agents outside Kerala	--	--
9	Other agencies	--	--
10	Through Paddy brokers outside Kerala & Direct purchase from cultivators in Kerala	1	4
11	Through local Paddy brokers & Direct purchase from cultivators outside Kerala	2	7
12	Through local Paddy brokers & Through Paddy brokers within and outside Kerala	2	7
13	Through local Paddy brokers, Paddy brokers within and outside Kerala, Direct purchase from cultivators outside Kerala & Purchase through wholesale agents outside Kerala	1	4
14	Purchase through wholesale agents from inside & outside Kerala	1	4
15	Purchase through local Paddy brokers & Purchase through wholesale agents outside Kerala	1	4
Total		27	100

Source : Field Survey

Majority (55 per cent) of the Paddy Processing Units procure their raw materials through local paddy brokers. Those who procure paddy through the agents appointed by them and through other methods like local paddy brokers and

Direct purchase from cultivators outside Kerala, local paddy brokers and paddy brokers within and outside Kerala account for 7 per cent each of the total. (Table No. 4.14).

Details regarding the Places Outside the State from where Procurement of Paddy is done by the Units are shown in Table No. 4.15

Table No. 4.15

Details regarding the Places Outside the State from where Procurement of Paddy is done by the Units

Sl. No	Name of the Units	States of Procurement of Paddy
1	K.M.C. Rice Mill, Okkal	Tamil Nadu and Karnataka
2	Mary Matha, Modern Rice Mill, Kanjoor	Tamil Nadu, Karnataka and Andhra Pradesh
3	Njaliyan Modern Rice Mill, Kanjoor,	Tamil Nadu
4	Agro Tech, Okkal	Tamil Nadu
5	Rice Tech Agro Mills (P) Ltd., Mattoor, Kalady	Karnataka
6	Keerthi Agro Mills (P) Ltd., Mattoor, Kalady	Tamil Nadu and Karnataka
7	Kottackal Modern Rice Mill, Mattoor, Kalady	Tamil Nadu, Karnataka and Andhra Pradesh
8	Edathanalil Modern Rice Mill, Mattoor, Kalady	Tamil Nadu and Karnataka
9	Christy Modern rice Mill, Mattoor, Kalady	Tamil Nadu , Andhra Pradesh, Gujarat and Rajasthan
10	St. Antony's Modern Rice Mill, Sreemoolanagaram, Kanjoor	Tamil Nadu and Andhra Pradesh
11	Thekkekkara Modern Rice Mill, Sreemoolanagaram, Kanjoor	Tamil Nadu, Karnataka and Andhra Pradesh
12	Matha Agro Mills, Okkal	Karnataka, Tamil Nadu, Madhya Pradesh, and Uttar Pradesh,
13	Puthan Modern Rice Mills, Okkal	Tamil Nadu, Karnataka and Andhra Pradesh
14	Mundeth Modern Rice Mill, Edavoor, Koovappady	Karnataka
15	Star Modern Rice Mill, Kanjoor	Tamil Nadu and Karnataka
16	Lakshmi Agro Mills, , Edavoor, Koovappady	Karnataka
17	K & T Agro Mills, Mattoor, Kalady	Karnataka, Tamil Nadu, Andhra Pradesh, Rajasthan, Punjab and Maharashtra
18	KKR Mills, Okkal ,Kalady	Tamil Nadu and Karnataka
19	Siju Modern Rice Mill, Mattoor, Kalady	Tamil Nadu, Karnataka and Gujarat
20	Parackal Agro Mills, Kanjoor	Karnataka
21	Edappana Agro Mills, Okkal, Kalady	Tamil Nadu and Karnataka
22	Valookkaran, Mattoor, Kalady	Karnataka, Tamil Nadu, Madhya Pradesh and Orissa,
23	Pallathu Kudy Mills, Okkal, Kalady	Tamil Nadu and Karnataka
24	Pallickal Agro Mills, Mattoor, Kalady	Tamil Nadu,
25	Edathala Modern Rice Mill, Okkal	Karnataka, Tamil Nadu and Andhra Pradesh
26	St. George Modern Rice Mill, Okkal, Kalady	Karnataka
27	Chirackal Agro Mills, Kalady	Karnataka, Tamil Nadu, Madhya Pradesh and Chattisgarh

Source : Field Survey

Majority of the Paddy Processing Units surveyed are observed to have procured their raw materials mainly from the State of Tamil Nadu and

Karnataka. The other states from which the units procure their raw materials, in the order of their preferences, include the states like Andhra Pradesh, Gujarat, Madhya Pradesh, Uttar Pradesh, Rajasthan, Punjab, Maharashtra, Orissa and Chattisgarh (Table No. 4.15). Shimoga, Nanjankode and Mysore in Karnataka, Thanjaore and Dindigal in Tamil Nadu, are the major places from where paddy is brought by many of the Paddy Processing Units in this locality.

Details regarding the Availability of Storage Facility of Paddy by the Processing Units are presented in Table No. 4.16

Table No. 4.16

Details regarding the Availability of Storage Facility of Paddy by the Processing Units

Sl. No	Storage Facility for Paddy	Numbers	% to Total
1	Those who have the Storage Facility	27	100
2	Those who do not have the Storage Facility	--	--
Total		27	100

Source : Field Survey

All the units surveyed are observed to have their own storage facilities for keeping the raw paddy in their own premises (Table No.4.16).

Range wise details regarding the Storage Facilities of Paddy Processing Units are depicted in Table No. 4.17

Table No. 4.17

Range wise Details regarding the Storage Facilities

of Paddy Processing Units

Sl. No	Storage Capacity	Numbers	% to Total
1	Less than 5 Lorry Loads*	5	19
2	5 – 10 Lorry Loads	7	25
3	11-25 Lorry Loads	6	22
4	26-50 Lorry Loads	4	15
5	51 -100 Lorry Loads	--	--
6	Above 100 Lorry Loads	5	19
Total		27	100

Note: *1 Lorry Load = 10 Tons

Source : Field Survey

A Range wise analysis of the Storage Facilities of Paddy Processing Units in and around Kalady indicates that 25 per cent of the units have a storage capacity of 5 – 10 lorry loads of paddy, while those who are having a storage capacity of 11 – 25 lorry loads of paddy represent 22 per cent of the total. The units having a storage capacity of less than 5 lorry loads and more than 100 lorry loads constitutes 19 per cent each of the total. 15 per cent of the units surveyed have a storage capacity ranging from 26 – 50 lorry loads (Table No. 4.17).

Classification of Paddy Processing Units on the basis of their Frequency of Purchase of Paddy is given in Table No. 4.18

Table No. 4.18

Classification of Paddy Processing Units on the basis of

their Frequency of Purchase of Paddy

SI No.	Frequency of Purchase of Raw Materials	Numbers	% to Total
1	Daily	16	59
2	Alternative days	8	30
3	Weekly	--	--
4	Others (Based on the requirement)	3	11
Total		27	100

Source : Field Survey

Majority (59 per cent) of the Paddy Processing Units purchase their raw materials on a daily basis, while those who procure their raw materials on alternative days and on the basis of their requirements represent 30 per cent and 11 per cent respectively (Table No.4.18).

Location – wise details regarding Storage Facilities of Paddy Processors for keeping the Raw Materials are depicted in Table No. 4.19

Table No. 4.19

Location – wise details regarding Storage Facilities for keeping the Raw Materials

SI No.	Location	Numbers	% to Total
1	Within the locality only	24	89
2	Outside the locality only	--	--
3	Both	3	11
Total		27	100

Source : Field Survey

Majority (89 per cent) of the Paddy Processors have their own storage facilities within the locality itself for keeping the raw materials, while those who have their own storage facilities within and outside the locality represent only 11 per cent of the total (Table No. 4.19).

Classification of the Units based on their Preferences of Purchasing Paddy is given in Table No. 4.20

Table No. 4.20

Classification of the Units based on their Preferences of Purchasing Paddy

Sl. No	Preferences of Purchasing Paddy	Numbers	% to Total
1	Those who have the Preference for the purchase of 'Matta'* variety of paddy	27	100
2	Those who do not have any Preference as to the variety of paddy	--	--
Total		27	100

Note: * Matta Variety – The variety of paddy which yields red coloured rice

Source : Field Survey

All the units surveyed are observed to have their prime preference on the purchase of 'Matta' variety of paddy for processing due to its high demand in the market(Table No.4.20). Almost all the entrepreneurs of the units surveyed have also opined that they prefer 'Jyothy Matta' to other varieties of paddy.

Classification of Paddy Processing Units on the basis of their System of Grading is given in Table No. 4.21

Table No. 4.21

Classification of Paddy Processing Units on the basis of their

System of Grading

Sl. No	System of Grading	Numbers	% to Total
1	Those who have the system of grading at the time of purchase of paddy	27	100
2	Those who do not have the system of grading at the time of purchase of paddy	--	--
Total		27	100

Source : Field Survey

All the units surveyed are also found to have their own system of grading at the time of purchase of paddy (Table No.4.21). The paddy purchased by

the units are usually graded into First, Second and Third by the owners of the rice mills on the basis of the water content, extent of maturity of paddy, the chaffy grains contained in the lot, etc.

Classification of Paddy Processing Units on the basis of the Payment of Brokerage / Commission is given in Table No. 4.22

Table No. 4.22

Classification of Paddy Processors on the basis of Payment of Brokerage / Commission

Sl. No.	Categories	Numbers	% to Total
1	Those who pay brokerage / commission to the paddy brokers	27	100
2	Those who do not pay brokerage / commission to the paddy brokers	--	--
Total		27	100

Source : Field Survey

All the units surveyed are observed to have a system of payment of brokerage / commission to the paddy brokers in connection with the procurement of paddy (Table No.4.22).

Classification of the Units on the basis of the Method of Payment of Brokerage / Commission is given in Table No. 4.23

Table No. 4.23

Classification of the Units on the basis of the Method of Payment of

Brokerage / Commission			
Sl. No	Method of Payment of Brokerage / Commission	Numbers	% to Total
1	Brokerage / Commission as a percentage of the procurement price of paddy	1	3
2	Brokerage / Commission Per lorry/truck/wagonload	25	94
3	Others	1	3
Total		27	100

Source : Field Survey

Majority of the paddy processors pay brokerage / commission to their brokers as a fixed amount (Rs. 100) per lorry / truckload. Only a few paddy processors (3 per cent) are observed to pay brokerage / commission as a percentage of the procurement price of paddy. Those who resort to the other methods of payment of brokerage also constitute a miniscule share (3 per cent) of the total (Table No. 4.23).

Classification of Paddy Processing Units on the basis of the Procedures for the Procurement of Paddy is given in Table No. 4.24

Table No. 4.24

Classification of Paddy Processing Units on the basis of the Procedures for

the Procurement of Paddy

Sl. No	Procedures for the Procurement of Paddy	Numbers	% to Total
1	Paddy brokers approach with their offers to the processors	10	37
2	Processors approach the Brokers	5	18
3	Agents of paddy traders approach with their offers to the processors	3	11
4	Paddy brokers approach with their offers to the processors & Processors approach the Brokers	7	26
5	Paddy brokers approach with their offers to the processors & Agents of paddy traders approach with their offers to the processors	1	4
6	Paddy brokers approach with their offers to the processors & Societies	1	4
Total		27	100

Source : Field Survey

An analysis of the procedures for the procurement of paddy by the processors indicates that in majority (37 per cent) of the cases, the paddy brokers approach with their offers to the paddy processors, while in 26 per cent of the cases, the paddy brokers approach with their offers to the processors and the processors approach the brokers with their requirements. But in 18 per cent of the cases, the processors approach the brokers for their raw material requirements. In 11 per cent of the cases, it is also observed that agents of paddy traders approach with their offers to the processors. Other procedures regarding the procurement of paddy constitute only a miniscule share (4 per cent) of the total (Table No. 4.24).

Classification of Paddy Processing Units on the basis of the Price Fixers of Paddy in the Market is given in Table No. 4.25

Table No. 4.25

Classification of Paddy Processing Units on the basis of

the Price Fixers of Paddy in the Market

Sl. No	Price Fixers of Paddy	Numbers	% to Total
1	Paddy Brokers	3	11
2	Rice Mill Owners	17	63
3	Agents of Rice Mill Owners	--	--
4	Paddy Brokers and Rice Mill Owners	7	26
5	Others	--	--
Total		27	100

Source : Field Survey

In majority (63 per cent) of the cases, it is observed that the rice mill owners are the ultimate price fixers of paddy and in 26 per cent of the cases paddy brokers and rice mill owners jointly fixes the price of paddy (Table No. 4.25). Only in 11 per cent of the cases paddy brokers are observed to be the price fixers of paddy in the market.

Classification of Paddy Processing Units, which purchase paddy on the basis of the Samples Shown is given in Table No. 4.26

Table No. 4.26

Classification of Paddy Processing Units, which Purchase Paddy on the basis of the Samples Shown

Sl. No	Process of Purchase of Paddy	Numbers	% to Total
1	Those who purchase paddy on the basis of the samples shown	27	100
2	Those who do not purchase paddy on the basis of the samples shown	--	--
Total		27	100

Source : Field Survey

ALL THE OWNERS OF THE RICE MILLS SURVEYED HAVE UNANIMOUSLY OPINED THAT THEY PURCHASE PADDY EXCLUSIVELY ON

THE BASIS OF THE SAMPLES SHOWN TO THEM BY THE PADDY BROKERS, TRADERS AND CULTIVATORS (TABLE NO. 4.26).

Classification of Paddy Processing Units, which purchase Paddy on the basis of the time at which Samples are Shown in Table No. 4.27

Table No. 4.27

Classification of Paddy Processing Units, which Purchase Paddy on the basis of the Time at which Samples are shown

Sl. No	Process of Purchase of Paddy	Numbers	% to Total
1	Samples shown earlier	4	15
2	Samples shown at the time of purchase	21	78
3	Both	2	7
Total		27	100

Source : Field Survey

In majority (78 per cent) of the cases, the rice mill owners are observed to make the purchases on the basis of the samples shown to them by the paddy brokers at the time of purchase of paddy, while in 15 per cent of the cases the purchases are effected on the basis of the samples shown earlier by the brokers, traders or cultivators. 7 per cent of the respondents have opined that they resort to the purchase of paddy on the basis of the samples shown at the time of purchase as well as samples shown earlier by the vendors of paddy (Table No. 4.27).

Category – wise details regarding the process of verification of the samples of paddy brought for sale is given in Table No. 4.28

Table No. 4.28

Category – wise details regarding the Process of Verification

of the Samples of Paddy Brought for Sale

Sl. No	Category – wise details of the Verification of Samples	Numbers	% to Total
1	Paddy brokers	2	7
2	Sub Brokers	--	--
3	Agents of paddy vendors	1	4
4	Agents of Rice mill owners	13	48
5	Representatives of Rice mill Owners	1	4
6	Sub Brokers & Agents of Rice mill owners	2	7
7	Rice Mill Owners	7	26
8	Paddy brokers & Agents of Rice mill owners	1	4
Total		27	100

Source : Field Survey

In majority (48 per cent) of the cases, it is found that the agents of rice mill owners verify the quality of the samples shown to them by the paddy vendors at the time of purchase of paddy, while in 26 per cent of the cases the process of verification of the samples are done by the rice mill owners. Paddy brokers, sub brokers and agents of rice mill owners happen to be the verifiers of the quality of paddy, which constitute 7 per cent each of the total. The relative share of the agents of paddy vendors, the representatives of rice mill owners and paddy brokers and the agents of rice mill owners in the process of verification of the samples of paddy represent 4 per cent each of the total (Table No. 4.28).

Method – wise details regarding the price determination of paddy in the market are presented in Table No. 4.29

Table No. 4.29

Method – wise details regarding the Price Determination of Paddy in the Market

Sl. No	Method of Price Fixation of Paddy	Numbers	% to Total
1	Through Auction	--	--
2	Through open/secret negotiation with the vendor and rice mill owner	2	7
3	Through open/secret negotiation with the vendor and paddy broker	4	15
4	Through open/secret negotiation among the vendor, paddy broker and the rice mill owners	2	7
5	Open / secret negotiation with paddy brokers and rice mill owners	15	56
6	Through open/secret negotiation with the vendor and paddy broker & Through open/secret negotiation among the vendor, paddy broker and the rice mill owners	1	4
7	Through Auction, Through open/secret negotiation with the vendor and paddy broker & Through open/secret negotiation among the vendor, paddy broker and the rice mill owners	1	4
8	Through Auction & Through open/secret negotiation with the vendor and paddy broker	2	7
Total		27	100

Source : Field Survey

Majority (56 per cent) of the respondents have opined that the price of the paddy brought in the market is finally determined through the open / secret negotiation with paddy brokers and rice mill owners, while those who have reported that the price of paddy is determined by way of open / secret negotiation with paddy brokers and rice mill owners represent 15 per cent of the total (Table No. 4.29).

Criteria – wise details regarding the price determination of paddy in the market are shown in Table No. 4.30

Table No. 4.30

Criteria – wise details regarding the Price Determination of Paddy in the Market

Sl. No	Criteria of Price Fixation of Paddy	Numbers	% to Total
1	Quality of paddy	20	74
2	Place of origin	--	--
3	Extent of demand	--	--
4	Period of credit	1	4
5	Quality of paddy & Place of origin	2	7
6	Quality of paddy & Extent of demand	2	7
7	Quality of paddy, Extent of demand & Period of credit	1	4
8	Quality of paddy, Place of origin, Place of origin & Period of credit	1	4
9	Others	--	--
Total		27	100

Source : Field Survey

Majority (74 per cent) of the owners of rice mills surveyed have revealed that the quality of paddy is the important criterion in the determination of price of paddy brought to the market. The respondents who have reported that the quality of paddy as well as the place of origin of paddy as the determinants of price constitute 7 per cent of the total. Those who have opined that the quality of paddy as well as the extent of demand for paddy also represents 7 per cent of the total (Table No. 4.30).

Details regarding the extent of Co-operation between Rice Mill Owners are depicted in Table No. 4.31

Details regarding the Extent of Co-operation between

Rice Mill Owners

Sl. No	Extent of Co-operation	Numbers	% to Total
1	Those who co-operate with other rice mill owners	2	7
2	Those who do not co-operate with other rice mill owners	25	93
Total		27	100

Source : Field Survey

Majority (93 per cent) of the rice mill owners have reported that there is no sincere co-operation among them, while 7 per cent of them have opined that there is a co-operation among the units in this locality (Table No. 4.31).

Details regarding the arranges made by the Rice Mill Owners' Association for the Co-operative procurement of paddy are presented in Table No. 4.32

Table No. 4.32

Details regarding the Arranges made by the Rice Mill Owners'

Association for the Co-operative Procurement of Paddy

Sl. No	Extent of Co-operation for the Procurement of Paddy	Numbers	% to Total
1	Yes	2	7
2	No	25	93
Total		27	100

Source : Field Survey

Majority (93 per cent) of the respondents have opined that there has not been any proper arrangements made by the Rice Mill Owners' Association for the co-operative procurement of paddy, while a miniscule share (7 per cent) of

them have reported that there has been some sort of arrangements made at times by the Association in this regard (Table No. 4.32).

Percentage –wise details of Capital Investment by the Owners of Paddy Processing Units from their Own Sources are depicted in Table No. 4.33

Table No. 4.33

Percentage –wise details of Capital Investment by the Owners of Paddy Processing Units from their Own Sources

Sl. No.	Range –wise details of Own Investment (in percentage)	Numbers	% to Total
1	Below 25%	1	4
2	26%-30%	10	37
3	31%-40%	2	7
4	41%-50%	6	23
5	51%-60%	1	3
6	61%-75%	5	19
7	76% and above	--	--
8	Nil	2	7
Total		27	100

Source : Field Survey

37 per cent of the owners of the units surveyed reveal that the investment from their own sources in the units ranges from 26 to 30 per cent of the total investment (Table No. 4.33). The respondents whose investments out of their own funds in the units which range from 41 – 50 per cent and 61 – 75 per cent of the total investment represent 23 per cent and 19 per cent respectively. 7 per cent of the respondents have opined that they have been running their units fully out of loans taken from various sources.

Percentage –wise details of Capital Investment made by the Rice mill owners from the loans are presented in Table No. 4.34

Table No. 4.34

Percentage –wise details of Capital Investment made by

the Rice Mill Owners from the Loans

Sl. No.	Range –wise details of Investment out of Loans (in percentage)	Numbers	% to Total
1	Below 25%	--	--
2	26%-30%	--	--
3	31%-40%	2	7
4	41%-50%	3	11
5	51%-60%	1	4
6	61%-75%	8	30
7	76% and above	13	48
Total		27	100

Source : Field Survey

Majority (48 per cent) of the owners of the units surveyed reveal that more than 76 per cent of the total capital investment made by them are raised out of various loans. The respondents whose investments in the units out of various loans, which range from 61 – 75 per cent and 51 – 50 per cent of the total investment, represent 30 per cent and 11 per cent respectively (Table No. 4.34).

Source - wise details regarding Loans mobilized by the Paddy Processors in and around Kalady are shown in Table No. 4.35

Table No. 4.35

Source - wise details regarding Loans Mobilized by the Entrepreneurs

Sl. No.	Sources of Mobilization of Loans	Numbers	% to Total
1	From Friends and Relatives	--	--
2	From Private banks	4	15
3	From Scheduled Commercial Banks	11	41
4	From Other financial Institutions	3	11
5	From Local Money lenders	--	--
6	From Scheduled Commercial Banks & Other financial Institutions	2	7
7	From Private banks & Scheduled Commercial Banks	4	15
8	From Scheduled Commercial Banks & Local Money lenders	2	7
9	From Private banks, Scheduled Commercial Banks, Other financial Institutions & Local Money lenders	1	4
Total		27	100

Source : Field Survey

It is observed that 41 per cent of the respondents have mobilized their funds for meeting the fixed capital requirements out of the loans from Scheduled Commercial Banks (Table No. 4.35). Those who have mobilized their funds for meeting their fixed capital requirements out of the loans taken from Private Banks constitute 15 per cent of the total. Another 15 per cent of the respondents have taken loans from Private banks as well as Scheduled Commercial Banks for meeting their fixed capital requirements. None of the respondents have taken any loans from their friends and relatives and local moneylenders for this purpose.

Purpose - wise details regarding the utilization of Loans by the Owners of the Paddy Processing Units are depicted in Table No. 4.36

Table No. 4.36

Purpose - wise details regarding the Utilization of Loans

Sl. No	Purposes	Numbers	% To Total
1	Working Capital Requirements	12	44
2	Investment in Machineries	8	30
3	Buildings and Other Fixed Assets	2	7
4	Working Capital Requirements & Investment in Machineries	3	11
5	Investment in Machineries & Buildings and Other Fixed Assets	1	4
6	All	1	4
Total		27	100

Source : Field Survey

Majority (44 per cent) of the respondents have utilized the loan amounts raised by them mainly for meeting their working capital requirements, while those who have utilized the loans for investments in machineries represent 30 per cent of the total. The respondents who have invested their loan amounts in buildings and other fixed assets account for 7 per cent of the total (Table No.4.36).

Details regarding the sources of funds for the Working Capital Requirements are shown in Table No. 4.37

Table No. 4.37

Details regarding the Sources of Funds for the Working Capital Requirements

Sl. No	Sources of Working Capital Requirements	Numbers	% to Total
1	Own fund	15	55
2	Bank Loans	8	30
3	Loans from Financial Institutions	--	--
4	Loans from Local Money Lenders	--	--
5	Own fund & Bank Loans	2	7
6	Own fund & Loans from Local Money Lenders	1	4
7	Bank Loans & Loans from Local Money Lenders	1	4
Total		27	101

Source : Field Survey

56 per cent of the owners of the units are observed to have utilized their own funds (sales revenue) for meeting their working capital requirements and those who have availed bank loans as a source of their working capital represent 30 per cent of the total (Table No. 4.37).

Details regarding Credit Period availed by the Units from the suppliers of paddy are presented in Table No. 4.38

Table No. 4.38

Details regarding Credit Period availed by the Units
from the Suppliers of Paddy

Sl. No	Credit Period Availed by the Units	Numbers	% to Total
1	Down Payment	1	4
2	Up to 15 days	22	81
3	Up to 30 days	3	11
4	Up to 60 days	1	4
Total		27	100

Source : Field Survey

Majority (81 per cent) of the units surveyed are observed to have availed a credit period up to 15 days from the suppliers of paddy. Those who have availed a credit period up to 30 days from their suppliers constitute 11 per cent of the total. Only a miniscule share of the paddy processors have either availed a credit period up to 60 days or made down payments on the purchase of paddy (Table No. 4.38).

Details regarding Credit Period availed by the Units from the suppliers of Jute Bags are given in Table No. 4.39

Table No. 4.39

Details regarding Credit Period availed by the Units from

the Suppliers of Jute Bags

Sl. No	Credit Period availed by the Units	Numbers	% to Total
1	Down Payment	1	4
2	Up to 15 days	17	63
3	Up to 30 days	9	33
4	Up to 60 days	--	--
Total		27	100

Source : Field Survey

Majority (63 per cent) of the units surveyed are found to have availed a credit period up to 15 days from the suppliers of jute bags for packing their finished products (Table No. 4.39). Those who have availed a credit period up to 30 days from their suppliers represent 33 per cent of the total.

Details regarding Credit Period allowed to customers by the Units are shown in Table No. 4.40

Table No. 4.40

Details regarding Credit Period allowed to Customers by The Units

Sl. No	Credit Period	Numbers	% to Total
1	Up to 15 days	16	59
2	Up to 30 days	10	37
3	Up to 60 days	1	4
4	More than 60 days	--	--
Total		27	100

Source : Field Survey

Majority (59 per cent) of the units surveyed, on an average, give a credit period up to 15 days to their customers. Those who give a credit period up to 30 days to their customers represent 37 per cent of the total (Table No.4.40).

CLASSIFICATION OF PADDY PROCESSING UNITS ON THE BASIS OF THE AMOUNT OF INVESTMENT MADE FOR THE EXPANSION OF THE CAPACITY OF THEIR MACHINERIES FOR THE LAST 5 YEARS IS GIVEN IN TABLE NO. 4.41

TABLE NO. 4.41

CLASSIFICATION OF PADDY PROCESSING UNITS ON THE BASIS OF THE AMOUNT OF INVESTMENT MADE FOR THE EXPANSION OF THE CAPACITY OF THEIR MACHINERIES FOR THE LAST 5 YEARS

Sl. No.	Amount spent	Numbers	% to Total
1	Large Amount	12	44
2	Small Amount	4	15
3	Nil	11	41
Total		27	100

Source : Field Survey

Majority (44 per cent) of the respondents reveal that they have made a large amount of investment for the expansion of the capacity of their machineries, while 15 per cent of them have made only a small amount of investment for the same. The paddy processors who have not made any investment during the last five years for the expansion of the capacity of their machineries represent 41 per cent of the total (Table No. 4.41).

CLASSIFICATION OF PADDY PROCESSING UNITS ON THE BASIS OF THE AMOUNT OF INVESTMENT MADE BY THE ENTREPRENEURS

FOR THEIR PRODUCT DIVERSIFICATION FOR THE LAST 5 YEARS IS PRESENTED IN TABLE NO. 4.42

TABLE NO. 4.42

THE AMOUNT OF INVESTMENT MADE BY THE ENTREPRENEURS FOR PRODUCT DIVERSIFICATION

Sl. No.	Amount Spent	Numbers	% to Total
1	Large Amount	--	--
2	Small Amount	5	19
3	Nil	22	81
Total		27	100

Source : Field Survey

It is revealed that majority (81 per cent) of the paddy processors have not made any type of capital investment for their product diversification. Those who have made a small investment for such purposes represent 19 per cent of the total (Table No. 4.42).

Classification of Paddy Processing Units on the basis of the investment made for the last 5 years for the modernization of machineries and equipments is given in Table No. 4.43

Table No. 4.43

Classification of Paddy Processing Units on the basis of the Investment Made for the last 5 years for the Modernization of Machineries and Equipments

SI	Amount Spent	Numbers	% to Total
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No.			
1	Large Amount	13	48
2	Small Amount	7	26
3	Nil	7	26
Total		27	100

Source : Field Survey

Majority (48 per cent) of the entrepreneurs reveal that they have made a large amount of investment for the modernization of machineries and equipments (Table No. 4.43). 26 per cent of the paddy processors have made a small investment for such purposes. Those who have not made any capital investment for the same also represent 26 per cent of the total.

Entrepreneurs who have made Capital Investment for the Purchase of vehicles for transportation, for the last 5 years are depicted in Table No. 4.44

Table No. 4.44

**ENTREPRENEURS WHO HAVE MADE CAPITAL
INVESTMENT FOR
THE PURCHASE OF VEHICLES FOR TRANSPORTATION, FOR THE
LAST 5 YEARS**

SI No.	Amount spent	Numbers	% to Total
1	Large Amount	11	41
2	Small Amount	7	26
3	Nil	9	33
Total		27	100

Source : Field Survey

Paddy processors who have made a large amount of capital investment for the purchase of vehicles for transporting their finished goods constitute 41 per cent, while those who have made only a small amount of investment for the same represent 26 per cent of the total. 33 per cent of the

respondents report that they have not made any capital investment for such purposes (Table No. 4.44).

CLASSIFICATION OF THE OWNERS OF PADDY PROCESSING UNITS ON THE BASIS OF THEIR INVESTMENT IN THE CONSTRUCTION OF GODOWNS FOR THE PROCUREMENT OF PADDY IN THE STATE / OUTSIDE THE STATE, FOR THE LAST 5 YEARS ARE GIVEN IN TABLE NO. 4.45

TABLE NO. 4.45

DETAILS REGARDING THE INVESTMENT MADE BY THE ENTREPRENEURS IN THE CONSTRUCTION

OF GODOWNS FOR THE PROCUREMENT OF PADDY IN THE STATE / OUTSIDE THE STATE

Sl. No.	Amount Spent	Numbers	% to Total
1	Large Amount	2	7
2	Small Amount	2	7
3	Nil	23	86
Total		27	100

Source : Field Survey

MAJORITY (86 PER CENT) OF THE ENTREPRENEURS REVEAL THAT THEY HAVE NOT MADE ANY TYPE OF INVESTMENT FOR THE CONSTRUCTION OF GODOWNS FOR THE PROCUREMENT OF PADDY EITHER WITHIN THE STATE OR OUTSIDE THE STATE FOR THE LAST 5 YEARS. THOSE WHO HAVE MADE A LARGE AMOUNT AS WELL AS A SMALL AMOUNT OF CAPITAL INVESTMENT FOR THE SAME REPRESENT 7 PER CENT EACH OF THE TOTAL (TABLE NO. 4.45).

CLASSIFICATION OF ENTREPRENEURS ON THE BASIS OF THEIR INVESTMENT MADE FOR THE LAST 5 YEARS FOR THE CONSTRUCTION OF SHOPS FOR SALE OF THEIR PRODUCTS ARE PRESENTED IN TABLE NO. 4.46

TABLE NO. 4.46

CLASSIFICATION OF ENTREPRENEURS ON THE BASIS OF THEIR INVESTMENT MADE FOR THE LAST 5 YEARS FOR THE CONSTRUCTION OF SHOPS FOR SALE OF THEIR PRODUCTS

Sl. No.	Amount Spent	Numbers	% to Total
1	Large Amount	1	4
2	Small Amount	2	7
3	Nil	24	89
Total		27	100

Source : Field Survey

MAJORITY (89 PER CENT) OF THE ENTREPRENEURS OF THE UNITS UNDER STUDY HAVE REPORTED THAT THEY HAVE NOT MADE ANY TYPE OF INVESTMENT FOR THE CONSTRUCTION OF SHOPS FOR THE SALE OF THEIR PRODUCTS FOR THE LAST 5 YEARS. THOSE WHO HAVE MADE A SMALL AMOUNT AND A LARGE AMOUNT OF INVESTMENT FOR SUCH PURPOSES CONSTITUTE 7 PER CENT AND 4 PER CENT RESPECTIVELY (TABLE NO. 4.46).

DETAILS REGARDING THE AMOUNT SPENT BY PADDY PROCESSORS FOR MARKETING AND SALES PROMOTION ACTIVITIES FOR THE LAST 5 YEARS ARE DEPICTED IN TABLE NO. 4.47

TABLE NO. 4.47

**DETAILS REGARDING THE AMOUNT SPENT BY PADDY
PROCESSORS FOR
MARKETING AND SALES PROMOTION ACTIVITIES FOR
THE LAST 5 YEARS**

Sl. No.	Amount Spent	Numbers	% to Total
1	Large Amount	3	11
2	Small Amount	7	26
3	Nil	17	63
Total			100

Source : Field Survey

MAJORITY (63 PER CENT) OF THE PADDY PROCESSORS COVERED UNDER THE STUDY REVEAL THAT THEY HAVE NOT SPENT ANY AMOUNT FOR MARKETING AND SALES PROMOTION ACTIVITIES FOR THE LAST FIVE YEARS (TABLE NO. 4.47). THOSE WHO HAVE SPENT A SMALL AMOUNT AND A LARGE AMOUNT FOR SUCH ACTIVITIES REPRESENT 26 PER CENT AND 11 PER CENT RESPECTIVELY.

CLASSIFICATION OF THE OWNERS OF PADDY PROCESSING UNITS ON THE BASIS OF THE AMOUNT OF CAPITAL INVESTMENT MADE FOR THE PURCHASE OF REAL ESTATES / SHARES FOR THE LAST 5 YEARS ARE SHOWN IN TABLE NO. 4.48

TABLE NO. 4.48

**CLASSIFICATION OF THE OWNERS OF PADDY PROCESSING UNITS ON THE BASIS OF
THE AMOUNT OF CAPITAL INVESTMENT MADE FOR THE
PURCHASE OF REAL
ESTATES / SHARES FOR THE LAST 5 YEARS**

SI No.	Amount Spent	Numbers	% to Total
1	Large Amount	1	4
2	Small Amount	1	4
3	Nil	25	92
Total		27	100

Source : Field Survey

MAJORITY (92 PER CENT) OF THE OWNERS OF THE UNITS SURVEYED REPORT THAT THEY HAVE NOT MADE ANY INVESTMENT FOR THE PURCHASE OF REAL ESTATES OR SHARES. THE PROCESSORS WHO HAVE MADE A LARGE INVESTMENT AS WELL AS A SMALL INVESTMENT FOR THESE PURPOSES CONSTITUTE ONLY A SMALL SHARE (4 PER CENT EACH) OF THE TOTAL (TABLE NO.4.48).

CLASSIFICATION OF ENTREPRENEURS ON THE BASIS OF THEIR AMOUNT OF SAVINGS FOR THE LAST 5 YEARS IS GIVEN IN TABLE NO. 4.49

TABLE NO. 4.49

CLASSIFICATION OF ENTREPRENEURS ON THE BASIS OF THEIR AMOUNT OF SAVINGS

FOR THE LAST 5 YEARS

SI No.	Amount of Savings	Numbers	% to Total
1	Large Amount	--	--
2	Small Amount	1	4
3	Nil	26	96
Total		27	100

Source : Field Survey

Majority (96 per cent) of the Paddy Processors reveal that they haven't had any savings during the last five years, while only 4 per cent of them

reveal that they have had a small amount of savings from their business. (Table No.4.49).

CLASSIFICATION OF ENTREPRENEURS ON THE BASIS OF THE AMOUNT SPENT FOR MAINTENANCE FACTORY BUILDING FOR THE LAST 5 YEARS IS GIVEN IN TABLE NO. 4.50

TABLE NO. 4.50

CLASSIFICATION OF ENTREPRENEURS ON THE BASIS OF THE AMOUNT SPENT FOR MAINTENANCE FACTORY BUILDING FOR THE LAST 5 YEARS

Sl No.	Amount Spent for Maintenance	Numbers	% to Total
1	Large Amount	1	4
2	Small Amount	--	--
3	Nil	26	96
Total		27	100

Source : Field Survey

Majority (96 per cent) of the paddy processors reveal that they have not spent any amount for other purposes, such as for the maintenance of their factory buildings, while those who have spent a large amount for such purposes represent only 4 per cent of the total (Table No. 4.50).

Classification of Paddy Processors on the basis of the Sub Contracting of their works is given in Table No. 4.51

Table No. 4.51

Classification of Paddy Processors on the basis of the Sub Contracting of their Works

Sl. No	Categories	Numbers	% to Total
1	Those who sub contract their works	--	--
2	Those who do not sub contract their works	27	100
Total		27	100

Source : Field Survey

The Field Survey conducted among the paddy processors reveals that none of them have sub contracted their works to other paddy processors (Table No.4.51).

Classification of Entrepreneurs on the basis of undertaking the Sub Contract works of other paddy processors is given in Table No. 4.52

Table No. 4.52

Classification of Entrepreneurs on the basis of Undertaking the Sub Contract Works of other Paddy Processors

Sl. No	Categories	Numbers	% to Total
1	Those who undertake the sub contract works of others	--	--
2	Those who do not undertake the sub contract works of others	27	100
Total		27	100

Source : Field Survey

None of the paddy processors have reported that they had undertaken the sub contract works of other paddy processors (Table No. 4.52).

Location – wise details regarding the Suppliers of Raw Materials to the Paddy Processors in an around Kalady are presented in Table No. 4.53

Table No. 4.53

Suppliers of Raw Materials to the Paddy Processors

Sl. No	Locations of Suppliers	Numbers	% to Total
1	Local	--	--
2	Within the District	1	3
3	Outside the District	3	11
4	Outside the State	8	30
5	Local & Outside the State	4	15
6	Local, Outside the District & Outside the State	2	8
7	Outside the District & Outside the State	8	30
8	All	1	3
Total		27	100

Source : Field Survey

The location – wise details of the suppliers of raw materials of the Paddy Processing Units reveal that 30 per cent each of the suppliers are from outside the State and outside the District as well as out side the State. The suppliers of raw materials from local areas and outside the State represent 15 per cent, while those who supply the raw materials from outside the district constitute and 11 per cent of the total (Table No. 4.53).

Location – wise details regarding the Suppliers of Components to the Paddy Processors in an around Kalady are depicted in Table No. 4.54

Table No. 4.54

Suppliers of Components to the Paddy Processors

Sl. No	Locations of the Suppliers of Components	Numbers	% to Total
1	Local	14	51
2	Within the District	--	--
3	Outside the District	1	4
4	Outside the State	1	4
5	Local & Within the District	2	7
6	Local, Within the District & Outside the District	1	4
7	Local, Outside the District & Outside the State	1	4
8	Local & Outside the State	5	18
9	Within the District, Outside the District & Outside the State	1	4
10	All	1	4
Total		27	100

Source : Field Survey

The location – wise details of the suppliers of components to the paddy processors indicate that 51 per cent of the suppliers to the units are from the local areas. 18 per cent of the suppliers of the components are from the local as well as from outside the State, while those who supply such items from local areas and from within the district represent 7 per cent of the total (Table No. 4.54).

Location – wise details regarding the Suppliers of Machineries to the Paddy Processors in an around Kalady are shown in Table No. 4.55

Table No. 4.55

Suppliers of Machineries to the Paddy Processors

Sl. No	Locations of Suppliers	Numbers	% to Total
1	Local	--	--
2	Within the District	--	--
3	Outside the District	--	--
4	Outside the State	27	100
Total		27	100

Source : Field Survey

The location – wise details of the suppliers of the machineries of the Paddy Processing Units show that all the suppliers of the machineries required for the units are brought from out side the State (Table No. 4.55).

Location – wise details regarding the Suppliers of Rubber Sheller/Rollers to the Paddy Processors in an around Kalady are presented in Table No. 4.56

Table No. 4.56

Location – wise details regarding the Suppliers of Rubber Sheller/Rollers

Sl. No	Rubber Sheller/ Rollers Supplier	Numbers	% to Total
1	Local	21	77
2	Within the District	4	15
3	Outside the District	--	--
4	Outside the State	1	4
5	Local, Outside the District & Outside the State	1	4
Total		27	100

Source : Field Survey

Majority (77 per cent) of the Paddy Processing Units get the rubber shellers / rollers from the local suppliers, while 15 per cent of them get the same from within the district. The respondents who get the supply of the same from outside the State constitute 4 per cent of the total. Those who get the same from the local area, out side the district and out side the State represent 4 per cent of the total (Table No. 4.56).

Location - wise details of the Customers of Rice Produced by the Units are depicted in Table No. 4.57

Table No. 4.57

Location - wise details of the Customers of Rice Produced by the Units

Sl. No	Locational Details of Customers	Numbers	% to Total
1	Local	--	--
2	Within the District	1	4
3	Outside the District	5	18
4	Outside the State	1	4
5	Local & Within the District	2	7
6	Local, Within the District & Outside the District	10	37
7	Within the District & Outside the District	5	19
8	All	3	11
Total		27	100

Source : Field Survey

The respondents have opined that majority (37 per cent) of their customers are from the local area, within the district and from outside the district. 19 per cent of the paddy processors have reported that their customers are mainly from within the district and from outside the district, while in 18 per cent of the cases, the customers are from outside the district only (Table No. 4.57).

Classification of Paddy Processing Units on the basis of the Nature of Production of Other Allied Products is given in Table No. 4.58

Table No. 4.58

Classification of Paddy Processing Units on the basis of the

Nature of Production of Other Allied Products

Sl. No	Nature of Production of Other Allied Products	Numbers	% to Total
1	Those who produce Other Allied Products	4	15
2	Those who do not produce Other Allied Products	23	85
Total		27	100

Source : Field Survey

Majority (85 per cent) of the Paddy Processing Units in the study area revealed that they are not involved in the production of any other types of allied products. 15 per cent of the paddy processors disclosed that they are also involved in the production of other allied products such as rice flakes, rice powder, sweet rice powder, etc (Table No. 4.58).

Classification of the Paddy Processing Units on the basis of the location of their Customers of Other Allied Products is given in Table No. 4.59

Table No. 4.59

Location - wise details of the Customers of Other Allied

Products Produced by the Units

Sl. No	Locational Details of Customers	Numbers	% to Total
1	Local	1	25
2	Within the District	--	--
3	Outside the District	1	25
4	Outside the State	--	--
5	Local, Within the District & Outside the District	1	25
6	All	1	25
Total		4	100

Source : Field Survey

In 25 per cent of the cases the customers of other allied products of Paddy Processing Units are from the nearby localities and in another 25 per cent of the cases the customers are from outside the district. In the case of 25 per cent of the units their customers come from the nearby areas, within the district as well as from outside the district. In the case of the remaining 25 per cent of the respondents, the customers are from all the categories mentioned above (Table No.4.59).

Category – wise details regarding the performers of the repair works of machineries and equipments of Paddy Processing Units are depicted in Table No. 4.60

Table No. 4.60

Performers of the Repairs of Machineries / Equipments

Sl. No	Performers of the Function	Numbers	% to Total
1	Own workers	13	48
2	Experts in the local areas	6	22
3	Experts out side the local area	3	11
4	Own workers & Experts in the local area	3	11
5	Own workers & Experts out side the local area	1	4
6	Experts in the local area & Experts out side the local area	--	--
7	All	1	4
Total		27	100

Source : Field Survey

In majority (48 per cent) of the cases the repairs of machineries and equipments of the Paddy Processing Units in the study area are get done by the workers of the units themselves and in 22 per cent of the cases the same is get done by the experts in the local areas (Table No. 4.60).

Category – wise details regarding the Performers of the Accounting Works of Paddy Processing Units are presented in Table No. 4.61

Table No. 4.61

Categories of Performers of the Accounting Works

Sl. No	Category of Performers	Numbers	% to Total
1	Own workers	26	96
2	Experts in the local area	--	--
3	Experts out side the local area	--	--
4	Own workers & Experts in the local area	--	--
5	Own workers & Experts out side the local area	1	4
6	Experts in the local area & Experts out side the local area	--	--
7	All	--	--
Total		27	100

Source : Field Survey

In majority (96 per cent) of the cases the accounting works of the owners of the units are get done by the workers of their units themselves and in 4 per cent of the cases the same is done by their own workers and experts from out side the locality (Table No.4.61).

Category – wise details regarding the Decision Takers in the case of the Cost of Products are presented in Table No. 4.62

Table No. 4.62

Decision Takers in the case of the Cost of Products

Sl. No	Decision Takers	Numbers	% to Total
1	Owners	27	100
2	Own workers	--	--
3	Experts in the local area	--	--
4	Experts out side the local area	--	--
5	Own workers & Experts in the local area	--	--
6	Own workers & Experts out side the local area	--	--
7	Experts in the local area & Experts out side the local area	--	--
Total		27	100

Source : Field Survey

Category – wise details regarding the decision takers with regard to the cost of products of the Paddy Processing Units reveal that the cost of the finished products are always determined by the owners themselves (Table No.4.62).

Category – wise details regarding the Performers of the Service Functions (Strategies / designs for advertisement) of Paddy Processing Units are depicted in Table No. 4.63

Table No. 4.63

Performers of the Service Functions

Sl. No	Performers of the Function	Numbers	% to Total
1	Own workers	21	78
2	Experts in the local area	3	11
3	Experts out side the local area	3	11
4	Own workers & Experts in the local area	--	--
5	Own workers & Experts out side the local area	--	--
6	Experts in the local area & Experts out side the local area	--	--
7	All	--	--
Total		27	100

SOURCE : FIELD SURVEY

IN MAJORITY (78 PER CENT) OF THE CASES THE SERVICES FUNCTIONS SUCH AS THE MARKETING STRATEGIES, DESIGNS FOR THE ADVERTISEMENTS, ETC., OF THE UNITS ARE GET DONE BY THE WORKERS OF THE UNITS THEMSELVES. IN 11 PER CENT EACH OF THE CASES, THE SAME IS GET DONE BY THE EXPERTS FROM THE LOCAL AREA AND ALSO FROM OUTSIDE THE LOCALITY (TABLE NO. 4.63).

Category – wise details regarding the Persons who evolve the Marketing Strategies of Paddy Processing Units are given in Table No. 4.64

Table No. 4.64

Designers of Marketing Strategies

Sl. No	Performers of the Function	Numbers	% to Total
1	Owners	27	100
2	Own workers	--	--
3	Experts in the local area	--	--
4	Experts out side the local area	--	--
5	Own workers & Experts in the local area	--	--
6	Own workers & Experts out side the local area	--	--
7	Experts in the local area & Experts out side the local area	--	--
Total		27	100

Source : Field Survey

CATEGORY – WISE DETAILS REGARDING THE PERSONS WHO EVOLVE THE MARKETING STRATEGIES OF THE PADDY PROCESSING UNITS REVEAL THAT THE STRATEGIES ARE ALWAYS DETERMINED BY THE OWNERS THEMSELVES (TABLE NO.4.64).

Category – wise details regarding the Persons who introduce the Product Innovation of Paddy Processing Units are presented in Table No. 4.65

Table No. 4.65

Introducers of Product Innovation

Sl. No	Performers of the Function	Numbers	% to Total
1	Owners	25	92
2	Own workers	--	--
3	Experts in the local area	--	--
4	Experts out side the local area	1	4
5	Own workers & Experts in the local area	1	4
6	Own workers &	--	--

	Experts out side the local area		
7	Experts in the local area & Experts out side the local area	--	--
8	All	--	--
Total		27	100

Source : Field Survey

In majority (92 per cent) of the cases the persons who introduce the product innovation of the Paddy Processing Units in the study area are observed to be the owners of the units themselves. Those who introduce the same through the experts outside the locality and also with the help of their own workers as well as the experts in the local area represent 4 per cent each of the total (Table No. 4.65).

Category – wise details regarding the Persons who introduce the Product Diversification of Paddy Processing Units are shown in Table No. 4.66

Table No. 4.66

Introducers of the Product Diversification

Sl. No	Performers of the Function	Numbers	% to Total
1	Owners	26	96
2	Own workers	--	--
3	Experts in the local area	--	--
4	Experts out side the local area	--	--
5	Own workers & Experts in the local area	1	4
6	Own workers & Experts out side the local area	--	--
7	Experts in the local area & Experts out side the local area	--	--
8	All	--	--
Total		27	100

Source : Field Survey

In majority (96 per cent) of the cases the product diversification of the Paddy Processing Units in the study area are found to have introduced by the owners of the units themselves. Those who have introduced the same through

their own workers and the experts in the local area represent 4 per cent of the total (Table No.4.66).

Category – wise details regarding the performers of the Marketing function of Bye – Products of Paddy Processing Units are given in Table No. 4.67

Table No. 4.67

Performers of Marketing Function of Bye - products			
Sl. No	Performers of the Function	Numbers	% to Total
1	Own workers	24	89
2	Experts in the local area	--	--
3	Experts out side the local area	2	7
4	Own workers & Experts in the local area	1	4
5	Own workers & Experts out side the local area	--	--
6	Experts in the local area & Experts out side the local area	--	--
7	All	--	--
Total		27	100

Source : Field Survey

In majority (89 per cent) of the cases own workers of the units are found as involved in the marketing of bye – products of the units in the study area. 7 per cent of the entrepreneurs informed that the marketing of their bye – products are carried by the experts and agents outside the locality, while those who get the same done through their own workers as well as the experts in the local area represent 4 per cent of the total (Table No.4.67).

Performer – wise details regarding the Research and Development Works of the Paddy Processors are shown in Table No. 4.68

Table No. 4.68

Performers of the Research and Development

Sl. No	Performers of the Function	Numbers	% to Total
1	Own workers	2	7
2	Experts in the local area	--	--
3	Experts out side the local area	25	93
4	Own workers & Experts in the local area	--	--
5	Own workers & Experts out side the local area	--	--
6	Experts in the local area & Experts out side the local area	--	--
7	All	--	--
Total		27	100

Source : Field Survey

In majority (93 per cent) of the cases, the Research and Development works of the entrepreneurs are carried out by the experts from outside the locality. Those who perform the same with the help of their own workers constitute a miniscule share (4 per cent) of the total (Table No. 4.68).

Category – wise details regarding the Selection of Employees of the Paddy Processing Units are exhibited in Table No. 4.69

Table No. 4.69

Details regarding the Persons who select the Employees

for the Paddy Processing Units

Sl. No	Performers of the Function	Numbers	% to Total
1	Owners	27	100
2	Own workers	--	--
3	Experts in the local area	--	--
4	Experts out side the local area	--	--
5	Own workers & Experts in the local area	--	--
6	Own workers & Experts out side the local area	--	--
7	Experts in the local area & Experts out side the local area	--	--
10	All	--	--
Total		27	100

Source : Field Survey

Category – wise details regarding the persons selecting the employees of the Paddy Processing Units reveal that the selection of the personnel is always done by the owners themselves (Table No.4.69).

CATEGORY – WISE CLASSIFICATION OF PADDY PROCESSORS ON THE BASIS OF THE REQUIREMENT OF A SPECIAL AGENCY FOR RENDERING THEIR SERVICES ARE GIVEN IN TABLE NO. 4.70

TABLE NO. 4.70

CATEGORY – WISE CLASSIFICATION OF PADDY PROCESSORS ON THE BASIS

OF THEIR REQUIREMENTS OF A SPECIAL AGENCY

Sl.	Category	Numbers	% to Total
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No			
1	Those who require the Services of Special agencies for various Service Functions	12	44
2	Those who do not require the Services of Special agencies for various Service Functions	15	56
Total		27	100

Source : Field Survey

Majority (56 per cent) of the paddy processors reveal that they have not seriously felt the requirement of a special agency for rendering various service functions to them, while 44 of them have opined that they require the dire need of the services of a special agency in the locality for the same (Table No. 4.70).

Classification of Paddy Processors on the basis of the nature of Sale of their Products to the Customers within the Locality are presented in Table No. 4.71

Table No. 4.71

Nature of the Sale of their Products to the Customers Within the Locality

Sl. No	Nature of Sale	Numbers	% to Total
1	Directly to Consumers	--	--
2	Directly to the Retailers	8	30
3	Directly to the Wholesalers	3	11
4	To an Export Agent	--	--
5	Through a consortium with other paddy processors	--	--
6	Others	--	--
7	Directly to Consumers, Directly to the Retailers & Directly to the Wholesalers	7	26
8	Directly to Consumers, Directly to the Wholesalers & To an Export Agent	1	4
9	Directly to the Retailers & Directly to the Wholesalers	5	18
10	Directly to the Retailers, Directly to the Wholesalers & To an Export Agent	1	4
11	Nil	2	7
Total		27	100

Source : Field Survey

Majority (30 per cent) of the entrepreneurs covered under the study reveal that they directly sell their outputs to the retailers within the locality, while 26 per cent of them resort to the direct sale of their products to the consumers, retailers and the wholesalers (Table No.4.71). Those who sell their finished products directly to the retailers as well as the wholesalers represent 18 per cent of the total. Other categories constitute only a small percentage of the total.

Classification of Paddy Processors on the basis of the nature of Sale of their Products to the Customers Outside the Locality is shown in Table No. 4.72

Table No. 4.72

Nature of Sale of their Products to the Customers Outside the Locality

Sl. No	Selling Products	Numbers	% to Total
1	Directly to Consumers	--	--
2	Directly to the Retailers	3	11
3	Directly to the Wholesalers	8	30
4	To an Export Agent	2	7
5	Through a consortium with other paddy processors	--	--
6	Directly to Consumers, the Retailers & to the Wholesalers	1	4
7	Directly to Consumers, the Retailers, the Wholesalers & to an Export Agent	1	4
8	Directly to the Retailers & to the Wholesalers	10	37
9	Directly to the Wholesalers & To an Export Agent	2	7
10	Others	--	--
Total		27	100

Source : Field Survey

Majority (37 per cent) of the paddy processors in the study area reveal that they directly sell their products to the retailers and wholesalers outside the locality, while 30 per cent of them sell their products directly to the wholesalers only. Those who sell their finished products directly to the retailers represent 11

per cent of the total. Those who sell their products exclusively to export agents and those who give their products to the wholesalers as well as export agents form 7 per cent each of the total (Table No.4.72).

Classification of Paddy Processors on the basis of their Nature of Delivery of the Products to their Customers is given in Table No. 4.73

Table No. 4.73

Nature – wise details of Delivery of the Products

Sl. No	Nature of Delivery	Numbers	% to Total
1	Units delivering products within the reach of the customers	4	15
2	Units delivering products to customers Who come to the units to buy the goods	4	15
3	Both	19	70
Total		27	100

Source : Field Survey

In majority (70 per cent) of the cases the paddy processors resort to the delivery of their products within the reach of their customers as well as to the customers who come to their units to buy the goods. In 15 per cent each of the cases the paddy processors deliver the products within the reach of their customers and to customers who come to their units to buy the goods (Table No.4.73).

CLASSIFICATION OF PADDY PROCESSING UNITS ON THE BASIS OF THE EXTENT OF INNOVATION ADOPTED BY THE UNITS IS EXHIBITED IN TABLE NO. 4.74

TABLE NO. 4.74

Technology – wise classification of Paddy Processing Units

Sl. No	Technology Used	Numbers	% to Total
1	Advanced	10	37
2	Moderate	17	63
3	Average	--	--
4	Poor	--	--
Total		27	100

Source : Field Survey

On analyzing the extent of process innovation, it is discernible that majority (63 per cent) of the Paddy Processing Units in and around Kalady have been using a moderate technology with respect to their process of production. Those who have been using advanced and sophisticated technology in the production process represent 37 per cent of the total (Table No.4.74).

Category – wise details of Paddy Processors on the basis of the Extent of Technical Innovation made in the units are presented in Table No. 4.75

Table No. 4.75

Extent of Technical Innovation made in the Units

Sl. No	Categories	Numbers	% to Total
1	Those who have made technical innovations in the units	25	93
2	Those who have not made any technical innovations in the units	2	7
Total		27	100

Source : Field Survey

Majority (93 per cent) of the paddy processors have made technical innovations in their units to compete with other firms in the locality, while those who have not made any technical innovations in their units constitute a miniscule share (7 per cent) of the total. (Table No. 4.75).

Classification of Paddy Processing Units on the basis of the Sources Adopted for the Generation of the Idea for Technical Innovation are given in Table No. 4.76

Table No. 4.76

Sources Adopted for the Generation of the Idea for Technical Innovation

Sl. No	Sources of Technical innovation	Numbers	% to Total
1	In Co-operation with workers	1	4
2	In co-operation with the Vendors of Machineries / Equipments	2	8
3	In Co-operation with the Local experts / Technicians	--	--
4	Imitation of other firms in the similar line of business within the cluster/locality	--	--
5	Imitation of other firms in the similar line of business outside the cluster/locality	--	--
6	Researchers/Research institutions in the near by area	--	--
7	Trade Magazines and Periodicals	--	--
8	Discussion with other Entrepreneurs	--	--
9	As per the Specification of Customers	--	--
10	Observation of the Market Characteristics	1	4
11	Discussions with Technical Consultants	4	16
12	In Co-operation with workers & Imitation of other firms in the similar line of business within the cluster/locality	2	8
13	In Co-operation with workers the Vendor of Machineries / Equipments, the Local experts/Technicians & Imitation of other firms in the similar line of business within the cluster/locality	3	12
14	In Co-operation with workers, the Vendor of Machineries / Equipments & Imitation of other firms in the similar line of business within the cluster/locality	2	8
15	In co-operation with the Vendor of Machineries / Equipments, Discussion with other Entrepreneurs, Observation of the Market Characteristics & Discussions with Technical Consultants	1	4
16	In Co-operation with workers, the Vendor of Machineries / Equipments & the Local experts/Technicians	2	8

17	In co-operation with the Vendor of Machineries/Equipments & the Local experts/Technicians	3	12
18	In Co-operation with workers & the Vendor of Machineries/Equipments	1	4
19	Imitation of other firms in the similar line of business within the cluster/locality & Discussions with Technical Consultants	1	4
20	In Co-operation with workers, the Vendor of Machineries/Equipments, the Local experts/Technicians & As per the Specification of Customers	1	4
21	In co-operation with the Vendor of Machineries/Equipments	1	4
Total		25	100

Source : Field Survey

16 per cent of the paddy processors reveal that the idea for technical innovation of their units has been developed through discussions made with the technical consultants. 12 per cent of the entrepreneurs have generated the idea for technical innovations with the co – operation of their workers, vendors of machineries / equipments, local experts / technicians and on imitating other firms in the similar line of business within the cluster / locality. Those who developed the idea of technical innovations in co-operation with the vendors of machineries / equipments as well as in co-operation with the local experts / technicians also represent 12 per cent of the total (Table No.4.76). Other sources of technical innovations to the processors form only a small share of the total.

Category – wise details of Paddy Processors on the basis of the Extent of Product Innovation made in the units are given in Table No. 4.77

Table No. 4.77

Extent of Product Innovation made in the units

Sl. No	Categories	Numbers	% to Total
1	Those who have made Product innovations	8	30
2	Those who have not made any Product innovation	19	70
Total		27	100

Source : Field Survey

Majority (70 per cent) of the paddy processors have opined that they have not made any product innovation in their units, while 30 per cent of them have reported that they have introduced product innovations in their enterprises (Table No.4.77).

Classification of Paddy Processing Units on the basis of the sources adopted for the Generation of the Ideas for Product Innovation are shown in Table No. 4.78

Table No. 4.78

Sources adopted for the Generation of the Ideas for Product Innovation

Sl. No	Sources for Generation of the Ideas	Numbers	% to Total
1	In Co-operation with workers	--	--
2	In co-operation with the Vendor of Machineries/Equipments	--	--
3	In Co-operation with the Local Experts/Technicians	--	--
4	Imitation of other firms in the similar line of business within the cluster/locality	--	--
5	Imitation of other firms in the similar line of business outside the cluster/locality	--	--
6	Researchers/Research institutions in the near by area	--	--
7	Trade Magazines and Periodicals	--	--
8	Discussion with other Entrepreneurs	--	--
9	As per the Specification of Customers	--	--
10	Observation of the Market Characteristics	--	--
11	Discussions with Technical Consultants	--	--
12	Owner	2	24
13	In Co-operation with workers, Imitation of other firms in the similar line of business within the cluster/locality & Researchers / Research institutions in the near by area	1	13
14	In co-operation with the Vendor of Machineries / Equipments, Discussion with other Entrepreneurs & Observation of the Market Characteristics	1	13
15	In Co-operation with workers, the Vendor of Machineries / Equipments & with the Local experts/Technicians	2	24

16	In co-operation with the Vendor of Machineries / Equipments, the Local experts/Technicians & As per the Specification of Customers &	1	13
17	Imitation of other firms in the similar line of business within the cluster/locality & other firms in the similar line of business outside the cluster/locality	1	13
Total		8	100

Source : Field Survey

24 per cent of the paddy processors reveal that they themselves have developed the ideas for product innovation of their units. Another 24 per cent of them have opined that the ideas for product innovations of their units have been generated in co-operation with the workers, the Vendors of Machineries / Equipments and in association with the Local experts / Technicians. Other sources of product innovations to the processors form only a miniscule share of the total (Table No. 4.78).

Classification of Paddy Processors on the basis of the Changes made in the Organizational Structure of their units for the last 5 years is exhibited in Table No. 4.79

Table No. 4.79

Classification of Paddy Processors on the basis of the Changes made in the Organizational Structure of their units for the last 5 years

Sl. No	Category	Numbers	% to Total
1	Those who have changed the organizational structure of their units	1	4
2	Those who have not changed the organizational structure of their units	26	96
Total		27	100

Source : Field Survey

Majority (96 per cent) of the rice mill owners covered under the study report that they have not made any changes in the organizational structure of their units for the last five years, while those who are reported to have changed the organizational structure of the unit from Proprietary to Partnership concern represent 4 per cent of the total (Table No.4.79).

Classification of the Paddy Processors on the basis of the Nature of Changes made in the Organizational Structure of their Units for the last five years is presented in Table No. 4.80

Table No. 4.80

Details of Changes Made in the Organizational Structure of the Units

Sl. No	Nature of Change Organizational Structure	Numbers
1	Proprietary to Partnership	1
2	Partnership to Pvt.Ltd. Co.	--
3	Proprietary to Pvt. Ltd.Co	--
4	Partnership to Proprietary	--
Total		1

Source : Field Survey

Only one entrepreneur was observed to have changed his organizational structure from proprietary type to partnership type. (Table No.4.80).

Classification of Paddy Processors on the basis of the Type of their Competitors from Within the Local Area is given in Table No. 4.81

Table No. 4.81

Details of the Competitors of the Paddy Processing Units

from Within the Local Area

Sl. No	Type of Competitors	Numbers	% to Total
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1	Large Enterprises	17	63
2	Medium Enterprises	9	33
3	Small Enterprises	1	4
Total		27	100

Source : Field Survey

The Field Study conducted among the entrepreneurs of the Paddy Processing Units in and around Kalady shows that majority (63 per cent) of the competitors of such units, from within the locality, are the large scale enterprises, followed by the medium scale enterprises (33 per cent) and the small scale enterprises (4 per cent) (Table No. 4.81).

Classification of Paddy Processors on the basis of the Type of their Competitors from Other Parts of the State is shown in Table No. 4.82

Table No. 4.82

Details of the Competitors of the Paddy Processing Units
from Other Parts of the State

Sl. No	Type of Enterprises	Numbers	% to Total
1	Large Enterprises	15	55
2	Medium Enterprises	11	41
3	Small Enterprises	1	4
Total		27	100

Source : Field Survey

In majority (55 per cent) of the cases the entrepreneurs are reported to have faced the competition from the large-scale enterprises from other parts of the State. Those who have to face the competition from the medium scale enterprises represent 41 per cent. The units, which have to face such challenges from small-scale enterprises, constitute only a miniscule share of the total (4 per cent) (Table No. 4.82).

Classification of Paddy Processors on the basis of the Type of their Competitors from Other Parts of the Country is exhibited in Table No. 4.83

Table No. 4.83

Details of the Competitors of the Paddy Processing Units
from Other Parts of the Country

Sl. No	Type of Enterprises	Numbers	% to Total
1	Large Enterprises	18	67
2	Medium Enterprises	9	33
3	Small Enterprises	--	--
Total		27	100

Source : Field Survey

Majority (67 per cent) of the paddy processors in and around Kalady have to face acute competitions of the large-scale enterprises from other parts of the country, while those who have to face such competitions from the medium scale enterprises represent 33 per cent of the total (Table No. 4.83).

Details regarding the Strengths of Paddy Processing Units in and around Kalady are depicted in Table No. 4.84

Table No. 4.84

Strengths of the Paddy Processing Units

Sl. No.	Strengths of the Units	Numbers	% to Total
1	Price of the product	5	18
2	Quality of the product	13	48

3	Credit Schemes	8	30
4	Others (Alluring design, Product heterogeneity, Different varieties of the same products to cater to the needs of different strata of the society & Quick and timely execution of orders)	1	4
Total		27	101

Source : Field Survey

48 per cent of respondents have opined that the quality of their products is one of the strengths they enjoy when compared to their counterparts in the adjoining districts and outside the State. Credit schemes happen to be the strength of 30 per cent of the respondents surveyed. In 18 per cent of the cases, Prices of the products prove to be the strength of the processors in comparison with other processors outside the locality (Table No. 4.84).

Details regarding the Weaknesses of Paddy Processing Units in and around Kalady are presented in Table No. 4.85

Table No. 4.85

Weaknesses of the Paddy Processing Units

Sl. No.	Weaknesses of the Units	Numbers	% to Total
1	Lack of attractive designs	5	18
2	Lack of Product heterogeneity	9	33
3	Lack of Different varieties of the same products to cater to the needs of different strata of the society	11	42
4	Others (Poor quality of the product, Quick and timely execution of orders)	2	7
Total		27	100

Source : Field Survey

42 per cent of respondents have opined that the lack of different varieties of the same products to cater to the needs of different strata of the society is the major weakness of their units. Lack of product heterogeneity happens to be

the weakness of 33 per cent of the respondents surveyed. In 18 per cent of the cases, Lack of attractive designs turns out to be the weakness of the processors in comparison with other processors outside the locality (Table No. 4.85). Other weaknesses such as Poor quality of the product, Quick and timely execution of orders, etc., come about 7 per cent of the total.

Classification of the units on the basis of the Employees who have gone out of the firm and had started their own independent units is given in Table No. 4.86

Table No. 4.86

Classification of the units on the basis of the Employees who have Gone Out of the firm and had started their Own Independent Units

Sl. No	Category	Number of Respondents	% to Total
1	Units where employees have gone out of the firm and had started their own independent units	2	7
2	Units where employees have not gone out to start their own independent units	25	93
Total		27	100

Source : Field Survey

Only in the case of 7 per cent of the units, employees are reported to have gone out of the firm to start their own independent units and in 93 per cent of the cases none of the employees have gone out of their parent organization to start their own enterprises (Table No. 4.86).

Classification of Paddy Processors on the basis of their Business Relations with other Paddy Processing Units in the locality is presented in Table No. 4.87

Table No. 4.87

Classification of Paddy Processors on the basis of their Business

Relations with other Paddy Processing Units in the locality

Sl. No	Category	Numbers	% to Total
1	Those who have made business relations with other Paddy Processing Units in the locality	13	49
2	Those who have not made any business relations with other Paddy Processing Units in the locality	14	51
Total		27	100

Source : Field Survey

Majority (51 per cent) of the paddy processors have not made any type of business relations with other paddy processors in the locality, while 49 per cent of them have made such relationships with other paddy processors in the locality (Table No.4.87).

Classification of Paddy Processors on the basis of Discussions Made with Other Entrepreneurs is given in Table No. 4.88

Table No. 4.88

Classification of Paddy Processors on the basis of Discussions made with Other Entrepreneurs

Sl. No	Categories	Numbers	% to Total
1	Those who make discussions with other entrepreneurs	20	74
2	Those who do not make discussions with other entrepreneurs	7	26
Total		27	100

Source : Field Survey

The Field Survey conducted among the paddy processors, in and around Kalady, reveals that majority of the processors make frequent discussions with other entrepreneurs, while 26 per cent of them do not make any discussion with other entrepreneurs in the locality (Table No. 4.88).

Classification of the owners of the Paddy Processing Units on the basis of their Subject – wise Discussions is shown in Table No. 4.89

Table No. 4.89

Details regarding the Subjects of Discussions Among Entrepreneurs

Sl. No	Subjects of Discussion	Numbers	% to Total
1	Raw Material	1	5
2	Machineries and Accessories	1	5
3	Market Trends	--	--
4	Tastes and Preferences of Customers	--	--
5	Development of new products processors	--	--
6	Sub Contracting	--	--
7	Raw Material, Machineries and Accessories & Others	2	10
8	Raw Material & Machineries and Accessories	4	20
9	Raw Material, Machineries & Accessories and Market Trends	6	30
10	Market Trends & Tastes and Preferences of Customers	1	5
11	Raw Material, Machineries and Accessories, Market Trends & Preferences of Customers	2	10
12	Machineries and Accessories & Market Trends	1	5
13	All / Common matters	2	10
14	Others	--	--
Total		20	100

Source : Field Survey

30 per cent of the entrepreneurs reveal that they are involved in frequent discussions with other paddy processors, in the locality, with regard to the raw materials, machineries, accessories and the present market trends. Those who make discussions regarding the matters like Raw materials, Machineries and

accessories constitute 20 per cent of the total. Those who make discussions with all the matters mentioned above represent 10 per cent of the total (Table No. 4.89).

Classification of the Entrepreneurs on the basis of their Sharing of Orders is exhibited in Table No. 4.90

Table No. 4.90

Details regarding the Sharing of Orders

SI No	Category	Numbers	% to Total
1	Those who share their orders	12	44
2	Those who do not share their orders	15	56
Total		27	100

Source : Field Survey

In majority (56 per cent) of the cases the entrepreneurs do not share their orders with other paddy processors in the locality, while those who share their orders with other paddy processors represent 44 per cent of the total (Table No.4.90).

Category – wise details of the owners of Paddy Processing Units on the basis of their Joint Business Venture / Activity with other business units in the locality are depicted in Table No. 4.91

Table No. 4.91

Details of Joint Business Venture / Activity of the

Paddy Processors in the Locality

SI. No	Category	Numbers	% to Total
1	Those who are involved in joint business venture / activity	4	15
2	Those who are not involved in joint business venture / activity	23	85

Total	27	100
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Source : Field Survey

The Field Survey conducted among the owners of the Paddy Processing Units shows that majority (85 per cent) of the paddy processors are not involved in any type of joint business ventures / activities with other paddy processors in the locality , while 15 per cent of them are involved in joint business ventures / activities with other units in this area (Table No. 4.91).

Details regarding the Joint Business Venture/Activity-Within the Cluster are given in Table No. are shown in Table No. 4.92

Table No. 4.92

Details regarding the Joint Business Venture/Activity-Within the Cluster

Sl. No.	Activities	Numbers	% to Total
1	Joint purchasing of raw materials	2	50
2	Joint transportation of inputs / outputs	1	25
3	Joint marketing of products	--	--
4	Joint subcontracting of production	--	--
5	Joint purchasing of machines and equipments	--	--
6	Joint searching for new customers / markets	--	--
7	Joint development of marketing strategies	--	--
8	Joint efforts in the R and D of new products / processes	--	--
9	Sharing of spare capacity of machineries	--	--
10	Exchange of machineries and equipments	--	--
11	Exchange / hiring of workers	--	--
12	Joint purchasing of machines and equipments, Sharing of spare capacity of machineries & Exchange / hiring of workers	1	25
Total		4	100

Source : Field Survey

Out of the 4 entrepreneurs who are involved in the joint business ventures / activities, 2 of them are found to have involved in the joint purchasing of the raw materials with other units in the locality and 1 entrepreneur each is

observed to have involved in the joint transportation of the inputs / outputs and joint purchasing of machines and equipments, sharing of spare capacity of machineries and exchange / hiring of workers (Table No. 4.92).

Classification of the paddy processors on the basis of their Joint Business Venture / Activity with other business units outside the locality is given in Table No. 4.93

Table No. 4.93

Classification of the paddy processors on the basis of their Joint Business Venture / Activity with other business units Outside the Locality

Sl. No	Category	Numbers	% to Total
1	Those who are involved in joint business venture / activity with other units outside the locality	--	--
2	Those who are not involved in joint business venture / activity with other units outside the locality	27	100
Total		27	100

Source : Field Survey

None of the paddy processors surveyed are involved in any sort of joint business venture / activity with other units outside the locality (Table No.4.93).

Classification of the entrepreneurs on the basis of the Investment made by them on Other Similar / Dissimilar Firms is presented in Table No. 4.94

Table No.4.94

Details of Investment made by the Entrepreneurs in Other

Similar / Dissimilar Firms

Sl. No	Category	Numbers	% to Total
1	Those who have made investment in other similar firms	3	12

2	Those who have made investment in other dissimilar firms	4	14
3	Those who have not made any investment in other similar / dissimilar firms	20	74
Total		27	100

Source : Field Survey

Majority (74 per cent) of the respondents do not have made any investment in other similar / dissimilar firms (Table No. 4.94). Those who have made investments in other dissimilar firms represent (14 per cent) of the total and those who have made investment in other similar firms constitute 12 per cent of the total (12 per cent).

Details of Paddy Processing Units in which Other Units have made their Investments are depicted in Table No. 4.95

Table No. 4.95

Details of Paddy Processing Units in which other Units have made their Investments

Sl. No	Category	Numbers	% to Total
1	Units in which other firms have made investments	2	7
2	Units in which other firms have not made any investments	25	93
Total		27	100

Source : Field Survey

No investments have been made by any other firms in majority (93 per cent) of the units. Those units in which other firms have made investments represent only 7 per cent of the total (Table No. 4.95).

Classification of Paddy Processors on the basis of their Membership in Business Associations is exhibited in Table No. 4.96

Table No. 4.96

Details of Membership of Paddy Processors in Business Associations

Sl. No	Category	Numbers	% to Total
1	Those who have membership in business associations	2	7
2	Those who do not have membership in any business associations	25	93
Total		27	100

Source : Field Survey

Majority (93 per cent) of the paddy processors, in and around Kalady, reveal that they do not have the membership in any business associations. Those who have membership in business associations represent only 7 per cent of the total (Table No. 4.96).

Classification of Paddy Processors on the basis of their Membership in Rice Mill Owners' Association is given in Table No. 4.97

Table No. 4.97

Details of Membership of Paddy Processors in Rice Mill Owners' Association

Sl. No	Category	Numbers	% to Total
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1	Those who have membership in Rice Mill Owners' Association	27	100
2	Those who do not have membership Rice Mill Owners' Association	--	--
Total		27	100

Source : Field Survey

All the entrepreneurs of the Paddy Processing Units surveyed have opined that they have membership in the Rice Mill Owners' Association (Table No. 4.97).

Details regarding the Areas and Extent of Services Available to the Paddy Processors from the Rice Mill Owners' Association are exhibited in Table No. 4.98

Table No. 4.98

Details regarding the Areas and Extent of Services Available to the Paddy Processors from the Rice Mill Owners' Association

Sl. No.	Areas of Service	Extent of Service			Total
		Often	Occasionally	Never	
1	Advices on Legal Matters	11	5	11	27
2	Bargaining With Trade Unions	9	6	12	27
3	Bargaining with the Government	10	3	14	27
4	Pricing Policies	1	--	26	27
5	Marketing Strategies	--	--	27	27
6	Research and Development of Products / Processes	--	--	27	27
7	Strategies for Procurement of Raw Materials	--	--	27	27
8	Tackling of Storage, Transporting and Marketing Problems	1	--	27	27
9	Utilization of Bye	--	--	27	27

	Products				
10	Advertising Strategies	--	--	27	27
11	Dissemination of Information	1	--	27	27

Source : Field Survey

Majority of the Paddy Processors in the study area have opined that they have not been getting any sort of services from the Rice Mill Owners' Association, except in the case of Advices on Legal Matters, Bargaining With Trade Unions, Bargaining with the Government, Pricing Policies, Tackling of Storage, Transporting and Marketing Problems and Dissemination of Information pertaining to the current market conditions (Table No. 4.98). 11 respondents have reported that they often get assistance from the association in the form of Advices on Legal Matters, while 10 Paddy Processors have opined that they get service assistances in the case of Bargaining with the Government. 9 out of the 27 owners of rice mills surveyed have reported that the Rice Mill Owners' Association has extended its services to them for Bargaining with the Trade Unions in the locality.

Classification of paddy processors on the basis of the facilities of transportation used for despatching the finished products is shown in Table No. 4.99

Table No. 4.99

Facilities of Transportation used for the Despatching of
Finished Products

Sl. No	Facilities of Transportation	Numbers	% to Total
1	Own Vehicle	9	34
2	Hired Vehicle	2	7

3	Own And Hired Vehicles	16	59
Total		27	100

Source : Field Survey

Majority (59 per cent) of the entrepreneurs have opined that they resort to both the own and hired vehicles for the transportation of their finished goods. Those who use their own vehicles only for the purpose of transportation of their finished products represent 34 per cent of the total. The paddy processors who make use of the hired vehicles only for such purposes constitute only a miniscule share of the total (7 per cent) (Table No. 4.99).

Classification of Paddy Processors on the basis of their Storage Facilities is given in Table No. 4.100

Table No. 4.100

Classification of Paddy Processors on the basis of their Storage Facilities

Sl. No	Category	Numbers	% to Total
1	Entrepreneurs having Storage Facilities	27	100
2	Entrepreneurs having no Storage Facility	--	--
Total		27	100

Source : Field Survey

All of the paddy processors in the cluster have their own storage facilities for keeping their finished products (Table No.4.100).

Location – wise details regarding Storage Facilities of the Paddy Processing Units are depicted in Table No. 4.101

Table No. 4.101

Location – wise details regarding Storage Facilities

Sl. No	Location	Numbers	% to Total
1	Within the Locality only	26	96

2	Outside the Locality only	--	--
3	Both	1	4
Total		27	100

Source : Field Survey

Majority (96 per cent) of the paddy processors own their own storage facilities within the locality itself. Those who have their own storage facilities within and outside the locality represent only 4 per cent of the total (Table No. 4.101).

Classification of Paddy Processors on the basis of Show rooms / Outlets is shown in Table No. 4.102

Table No. 4.102

Details regarding Showrooms / Outlets

Sl. No	Category	Numbers	% to Total
1	Entrepreneurs having Show rooms / Outlets	5	19
2	Entrepreneurs having no Show rooms / Outlets	22	81
Total		27	100

Source : Field Survey

Majority of the owners of the units reveal that they have no show rooms / sales outlets for the direct marketing of their finished products. Those who possess their own show rooms / sales outlets constitute 19 per cent of the total (Table No. 4.102).

Location – wise details regarding the show rooms / outlets of the Paddy Processors are depicted in Table No. 4.103

Table No. 4.103

Location – wise details of Showroom / Outlets

Sl. No	Location of Show Rooms / Outlets	Numbers	% to Total
1	Within the District	3	60
2	Outside the District	2	40
Total		5	100

Source : Field Survey

Out of the 5 paddy processors who have their own show rooms / sales outlets, 60 per cent of them are having such showrooms / sales outlets within the district and the remaining 40 per cent of them possess their showrooms / sales outlets outside the district. (Table No. 4.103).

Classification of Paddy Processors on the basis of their Average Credit Collection period is exhibited in Table No. 4.104

Table No. 4.104
Details regarding Credit Collection Period Allowed
by the Paddy Processors

Sl. No	Credit Collection Period	Numbers	% to Total
1	Up to 15 days	7	26
2	Up to 30 days	15	56
3	Up to 60 days	3	11
4	More than 60 days	2	7
Total		27	100

Source : Field Survey

The Field Survey conducted among the paddy processors in and around Kalady reveals that 56 per cent of the units have an average credit collection period up to 30 days, while 26 per cent of them have an average credit collection period up to 15 days. 11 per cent of the processors surveyed have opined that they provide an average credit collection period up to 60 days. Only 7

per cent of the owners of the units report that they provide a maximum credit collection period of more than 60 days (Table No. 4.104).

None of the paddy processors surveyed have given any information regarding their sales figures either in terms of cash or in terms of quantity.

Ranking of the Intensity of the sale of Various Categories of Finished Products by the Paddy Processors are shown in Table No. 4.105

Table No. 4.105

Ranking of the Intensity of the Sale of Various Categories of

Finished Products by the Paddy Processors

Sl. No.	Category	Weighted Scores	% to Total	Rank
1	10 Kg	95	38.46	1
2	75 Kg	85	34.41	2
3	25 Kg	59	23.89	3
4	50 Kg	4	1.62	4
5	100 Kg	4	1.62	4
Aggregate Weighted Score		247	100.00	

Source : Field Survey

Ranking of the intensity of the sale of various categories of finished products by the paddy processors indicates that 10 Kg. bags of rice assume the 1st rank (38.46 per cent), followed by 75 Kg bags (34.41 per cent) and 25 Kg bags (23.89 per cent). 50 Kg bags and 100 Kg bags assume equal ranks as far as their intensity of sale is concerned. The owners of the Paddy Processing Units have

also reported that they use to sell 20 Kg bags only in the export market, especially in the Middle East Countries (Table No. 105).

Intensity – wise, Demand – wise details of Matta (Bold)* Rice are presented in Table No. 4.106

Table No. 4.106

Intensity – wise, Demand – wise details of Matta (Bold)* Rice

Sl. No	Intensity of Demand	Numbers	% to Total
1	Fast Moving	16	60
2	Slow Moving	11	40
3	Deadly Slow Moving	--	--
Total		27	100

Note - * Matta (Bold) refers to round shaped brownish coloured variety of rice.

Source : Field Survey

Majority (60 per cent) of the owners of the units reveal that the Matta (Bold) variety of rice as the fast moving type, while 40 per cent of them have opined that this variety has been moving slowly in certain segments of the market (Table No. 4.106).

Intensity – wise, Demand – wise details of Matta (Vady)* Rice are depicted in Table No. 4.107

Table No. 4.107

Intensity – wise, Demand – wise details of Matta (Vady)* Rice

Sl. No	Intensity of Demand	Numbers	% to Total
1	Fast Moving	19	70
2	Slow Moving	8	30
3	Deadly Slow Moving	--	--
Total		27	100

Note - * Matta (Vady) refers to long and brownish coloured variety of rice.

Source : Field Survey

In majority (70 per cent) of the cases it is observed that the Matta (Vady) variety of rice as the fast moving type in certain localities of the State. Those who have opined the same as the slow moving variety constitute 30 per cent of the total (Table No. 4.107).

Intensity – wise, Demand – wise details of Other Types Rice are given in Table No. 4.108

Table No. 4.108

Intensity – wise, Demand – wise details of Other Types Rice

Sl. No	Intensity	Numbers	% to Total
1	Fast Moving	--	--
2	Slow Moving	--	--
3	Deadly Slow Moving	27	100
Total		27	100

Source : Field Survey

All the paddy processors unanimously opined that all other varieties of rice other than Matta (Bold) and Matta (Vady) are deadly slow moving varieties (Table No.4.108).

Classification of Paddy processors on the basis of their Main Media of Advertisements is exhibited in Table No. 4.109

Table No. 4.109

Classification of Paddy Processors on the basis of their Main

Media of Advertisements

Sl. No	Advertising Media	Numbers	% to Total
1	Cable TV	4	15
2	TV	3	11
3	Radio	2	7
4	Newspapers and periodicals	--	--
5	Slides	--	--
6	Hoardings	2	7
7	Radio, Newspapers and periodicals & Hoardings	1	4
8	TV & Newspapers and periodicals	2	7
9	Cable TV, Newspapers and periodicals, Slides & Hoardings	1	4
10	TV & Hoardings	1	4
11	Cable TV & Hoardings	2	7
12	Slides & Hoardings	1	4
13	All Media	2	7
14	Others (Calendars)	6	23
Total		27	100

Source : Field Survey

23 per cent of the paddy processors surveyed use Calendars of alluring designs as their media of advertisement. Those who depend on the local cable TV and TV for the purpose of their advertisement represent 15 per cent and 11 per cent respectively (Table No. 4.109). Other media of advertisements resorted by the respondents constitute only a small share of the total.

Range - wise classification of the Paddy Processing Units on the basis of the Average Advertisement Expenses per annum are depicted in Table No. 4.110

Table No. 4.110

Range – wise Average Annual Advertisement Expenses

Sl. No	Advertisement Expenses (in Rupees)	Numbers	% to Total
1	Below 10000	4	15
2	10001-20000	3	11
3	20001-50000	2	7
4	50001-100000	2	7
5	100001-200000	0	0
6	200001-500000	8	30
7	Above 500001	8	30
Total		27	100

Source : Field Survey

30 per cent each of the entrepreneurs, on an average spend an annual amount ranging from Rs. 2,00,001 to 5,00,000 and Rs. 5,00,001 and above towards the advertisement of their products. Those who spend an average annual amount below Rs. 10, 000 and Rs. 10, 001 to 20, 000 represent 15 per cent and 11 per cent respectively. 7 per cent each of the paddy processors spend an annual amount ranging from Rs. 20, 001 to Rs. 50, 000 and Rs. 50, 001 to

Rs.1,00, 000 in connection with the advertisement of their products (Table No. 4.110).

Ranking of the Problems faced by the Paddy Processors in and around Kalady are exhibited in Table No. 4.111 and the diagrammatic representation of the same is given in Figure. – III

Table No. 4.111

Ranking of the Problems Faced by the Paddy Processors on the basis of their Severity

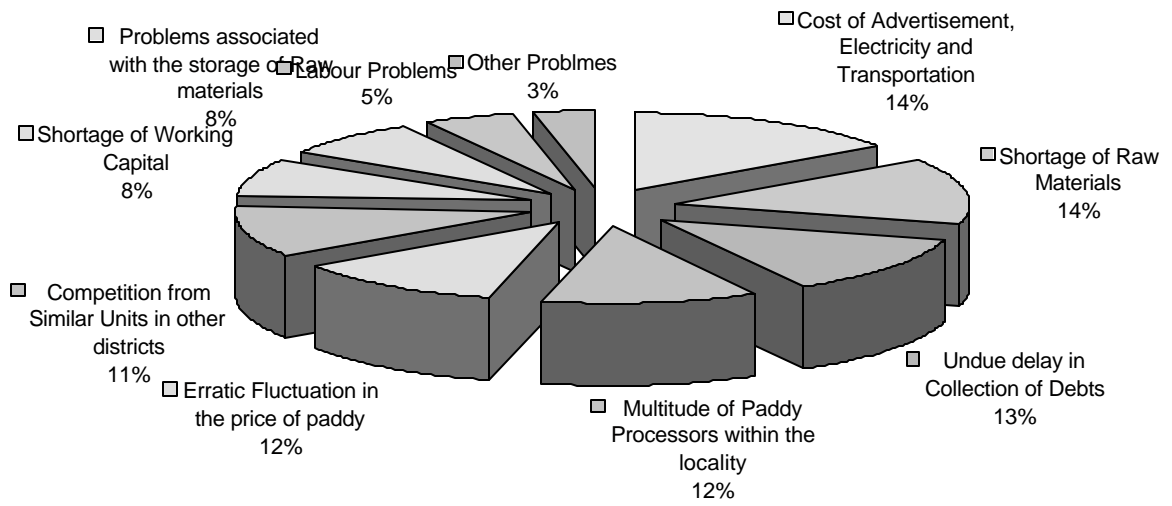
Sl. No.	Problems	Weighted Score	% to Total	Rank
1	Cost of Advertisement, Electricity and Transportation	224	15.17	I
2	Shortage of Raw Materials	205	13.88	II
3	Undue Delay in Collection of Debts	191	12.93	III
4	Multitude of Paddy Processors within the Locality	175	11.85	IV
5	Erratic Fluctuation in the Price of Paddy	172	11.64	V
6	Competition from Similar Units in Other Districts	159	10.77	VI
7	Shortage of Working Capital	115	7.78	VII
8	Problems Associated with the Storage of Raw Materials	114	7.72	VIII
9	Labour Problems	71	4.81	IX
10	Other Problems	51	3.45	X
Aggregate Weighted Score		1,477	100.00	

Source : Field Survey

The owners of the Paddy Processing Units face an array of problems starting from the commencing of their businesses. Ranking of the problems faced by the owners of the Paddy Processing Units in the order of their severity indicates that the Cost of advertisement, electricity and transportation (15.17 per cent) is the most important problem, followed by Shortage of Raw Materials (13.88 per cent), Undue delay in Collection of Debts (12.93 per cent), Multitude of Paddy Processors within the locality (11.85 per cent), Erratic Fluctuations in the Prices of Paddy (11.64 per cent), Competition from Similar Units in Other Districts (10.77 per cent), Shortage of Working Capital (7.78 per cent), Problems associated with the Storage of Raw Materials (7.72 per cent), Labour Problems (4.81 per cent) and Other allied problems (3.45 per cent) (Table No. 4.111).

Figure - III

PROBLEMS OF PADDY PROCESSORS IN AND AROUND KALADY



Opinion – wise classification of Paddy Processors regarding the trends in the increase in the number of fully automated units in the cluster for the next 10 years are depicted in Table No. 4.112

Table No. 4.112

Opinions of the Paddy Processors regarding the Expected Trends in the increase in the Number of Fully Automated Units in the cluster over the next 10 years

Sl. No	Opinion	Numbers	% to Total
1	Will increase	20	74
2	Decrease	7	26
3	Will neither increase nor decrease	--	--
Total		27	100

Source : Field Survey

Majority (74 per cent) of the entrepreneurs have opined that the number of fully automated units will increase in the next 10 years, while 26 per cent of them have opined that there will be a dwindling trend in the number of such units during the next 10 years. None of them have opined that the number of Fully Automated units in this locality will neither increase nor decrease during the next 10 years (Table No. 4.112).

Opinion – wise classification of the Owners of the Paddy Processing Units in respect of the trends in the increase in the number of Semi - automated units in the locality for the next 10 years are exhibited in Table No. 4.113

Table No. 4.113

Opinions of the Owners of the Paddy Processing Units regarding the Expected Trends in the increase in the Number of Semi – automated Units in the locality over the next 10 years

Sl. No	Opinion	Numbers	% to Total
1	Will increase	9	33
2	Decrease	18	67
3	Will neither increase nor decrease	--	--
Total		27	100

Source : Field Survey

In majority (67 per cent) of the cases, the owners of the units have revealed that the number of Semi - automated units will decrease over the next 10 years due to the increase in the number of fully automated units in the locality. Those who have opined that the number of Semi - automated units will increase over the next 10 years represent 33 per cent of the total. None of them have opined that the number of Semi – automated units in this area will neither increase nor decrease during the next 10 years (Table No. 4.113).

Opinion – wise classification of paddy Processors regarding the trends in the increase in the number of non-automated units in the cluster over the next 10 years are shown in Table No. 4.114

Table No. 4.114

Opinions of the Paddy Processors regarding the Expected Trends in the increase in the Number of Non - automated Units in the area over the next 10 years

Sl. No	Opinion	Numbers	% to Total
1	Will increase	1	4
2	Decrease	24	89
3	Will neither increase nor decrease	2	7
Total		27	100

Source : Field Survey

Majority (89 per cent) of the entrepreneurs have opined that the number of non-automated units will decrease in the next 10 years. Those who have opined that the number of Non Automated units in this area will neither increase nor decrease over the next 10 years represent 7 per cent of the total. Only 4 per cent of them have opined that there will be a dwindling trend in the number of such units during the next 10 years (Table No. 4.114).

chapter – v

Case Histories of the Traditional Paddy Processors in and around kalady

**THIS CHAPTER GIVES THE CASE HISTORIES OF SELECT
TRADITIONAL PADDY PROCESSORS IN AND AROUND KALADY WHO HAD**

BEEN THROWN OUT OF THE INDUSTRY AS A RESULT OF THE EMERGENCE OF HIGH-TECH MODERN RICE MILLS IN THIS LOCALITY.

CASE HISTORY – NO. I

KAREDAN ANTHONY ELYAKKUTTY, AGED 67, RESIDING AT MAROTTICHUVADU IN KALADY GRAMA PANCHAYATH, A TRADITIONAL PADDY PROCESSOR, HAD BEEN THROWN OUT OF THE FIELD AS A RESULT OF THE EMERGENCE OF THE HIGH-TECH MODERN RICE MILLS IN KALADY. IN HER OPINION THE COMMERCIAL PROCESSING OF PADDY HAD IT'S BEGINNING SOME 30 YEARS BACK. DURING THAT PERIOD ELYAKKUTTY USED TO BUY PADDY FROM THE ADJOINING AREAS LIKE EDATTU, KAIPRAPARAMBU, POTHYAKKARA, ETC.

SHE USED TO GO BEFORE DAWN, PREFERABLY BEFORE 5.AM, FROM HOME FOR THE PROCUREMENT OF PADDY FROM VARIOUS PLACES. NEGOTIATIONS OF PRICES OF PADDY WOULD BE CARRIED OUT FIRST WITH THE PADDY CULTIVATORS AND THE PADDY PROCURED HAD BEEN BROUGHT LATER ON BY MEANS OF JEEPS OR BULLOCK CARTS TO HER HOME FOR PROCESSING DURING THE SUBSEQUENT DAYS. PADDY WAS ALSO BROUGHT AT TIMES BY HER FROM THE AREAS SITUATED ON THE SOUTHERN BANKS OF THE RIVER PERIYAR BY MEANS OF COUNTRY CRAFTS AS THERE WAS NO BRIDGE AT THAT TIME CONNECTING KALADY WITH THE OTHER BANK OF THE RIVER. AT THAT TIME DRIED 'MATTA' VARIETY HAD HIGH DEMAND IN THE MARKET WHEN COMPARED TO THE

NON- DRIED OR THE RAW PADDY SOLD IMMEDIATELY AFTER THE HARVESTING. THE TRANSPORTATION COST FROM KAIPRAPARAMBU TO MAROTTICHUVADU AMOUNTED TO RS.25 PER ONE BULLOCK CARTLOAD. THERE WAS AN AVERAGE LOSS AT THAT TIME TO THE EXTENT OF 5 *PARAS* OF CHAFFY GRAINS PER EVERY 25 *PARAS* OF PADDY PROCURED FROM THE CULTIVATORS. LOSSES WERE ALSO SUSTAINED BY HER BY WAY OF SPOILAGE OF PADDY, BOTH BOILED AND RAW AND ALSO DUE TO THE FUNGAL CONTAMINATION DURING RAINY SEASONS. PADDY PROCURED BY HER WAS ALSO SOLD AT TIMES TO SMALL RICE MILLS. THE FIRST RICE MILL IN THIS AREA WAS ESTABLISHED BY SRI.KUDIYIRIPPIL PAPPACHAN, WHICH WAS KNOWN AS K.G.P'S RICE MILL. SHE USED TO GET THE PROCEEDS OF HER FIRST SALE OF PADDY FROM THE RICE MILLS, LIKE THE KGP RICE MILL, ONLY WHEN SHE REACHES THERE DURING THE NEXT TIME FOR SALE OF PADDY TO THEM. PADDY COLLECTED AND BROUGHT HOME DURING THE DAY WOULD BE DIPPED IN WATER TANKS FOR ONE NIGHT. SUBSEQUENTLY THE SOAKED PADDY WOULD BE BOILED FOR TWO HOURS IN BIG DRUM MADE FOR THIS PURPOSE BY COVERING THE DRUM WITH WET GUNNY BAGS. RICE HUSK IS USED AS THE MAIN FUEL FOR THE PURPOSE OF BOILING PADDY. SPECIAL STOVES WERE BUILT FOR THIS PURPOSE WITH THE HELP OF LOCAL MASONS. AFTER COMPLETING THE STEAMING PROCESS SHE USED TO DRY THE PADDY IN THE SUN LIGHT IN SPECIALLY MADE BAMBOO MAT (KNOWN AS 'CHIKKUPANAMBU') NEAR THE MAIN CENTRAL ROAD ADJACENT TO HER HOME. THE BOILED AND DRIED PADDY WAS THEN CARRIED BY HER ON HEAD LOADS IN THE NIGHT FOR HULLING

TO EDASSERY'S RICE MILL AT KANJOOR WHICH WAS SITUATED ABOUT 5 KM. AWAY FROM HER HOME. EARLIER THE TRADITIONAL PADDY PROCESSORS LIKE HER CARRIED OUT THE TRANSPORTATION OF PADDY AND RICE FROM KANJOOR AND KAIPRAPARAMBU TO KALADY, AND VICE VERSA, ONLY DURING THE NIGHT TIME TO ESCAPE FROM THE EYES OF THE POLICEMEN OF THE ERSTWHILE TRAVANCORE AND COCHIN PROVINCES. DE-HUSKING OF PADDY WAS USUALLY DONE AT NIGHT AND SHE AGAIN BROUGHT THE DE-HUSKED PADDY TO HER HOME BEFORE THE DAWN. THE DE-HUSKED PADDY WAS THEN WINNOWED AND CLEANED BY HERSELF BEFORE IT WAS PACKED READY FOR SALE AT THE MARKETS. SHE USED TO SELL RICE TO HOTELIERS AND OTHER REGULAR CUSTOMERS IN THE ALWAYE AND ERNAKULAM MARKETS .SHE STOPPED THE PADDY PROCESSING ABOUT 8 YEARS BACK DUE TO THE ACUTE COMPETITION FROM OTHER RICE MILLS IN THE LOCALITY AND IS NOW RUNNING A SMALL VEGETABLE SHOP NEAR HER HOME TO EKE OUT A LIVING.

CASE HISTORY – NO. II

MULAVARICKAL PATHROSE THRESSIAMMA, AGED 69, RESIDING AT CHENGAL NEAR KALADY, A TRADITIONAL PADDY PROCESSOR, HAD BEEN THROWN OUT OF THE FIELD CONSEQUENT UPON THE EMERGENCE OF THE HIGH-TECH MODERN RICE MILLS IN KALADY. SHE HAD BECOME AN ENTREPRENEUR INVOLVED IN THE PROCESSING OF PADDY DUE TO A PUSH FACTOR. HER HUSBAND HAD GONE TO CHENNAI IN SEARCH OF

EMPLOYMENT ON THE 20TH DAY OF HER DELIVERY. HE NEITHER CAME BACK TO HIS HOME NOR HAD HE SENT ANY AMOUNT FOR HER SUSTENANCE. LATER, SHE CAME TO KNOW THAT HER HUSBAND HAD MARRIED A NURSE AND SETTLED THERE. THIS FAMILY DELUGE HAD GIVEN HER SEVERE MENTAL AGONY AND THE STRESS AND HAD FORCED HER TO INVOLVE AS A LABOURER IN THE WORKS OF ROADS, CANALS, SAND MINING, CONSTRUCTION WORKS AND AS A TEMPORARY WORKER IN THE MATTOOR GOVERNMENT HOSPITAL. BESIDES THESE, SHE HAS INVOLVED IN THE AGRICULTURAL WORKS OF 3 TO 4 OF THE WEALTHY HOUSEHOLDS IN THE NEARBY AREAS. BUT THE PETTY AMOUNT SHE RECEIVED AS WAGES AND THE IRREGULARITY OF EMPLOYMENT HAD MADE IT VERY DIFFICULT TO PULL ON HER LIFE AND HER DAUGHTER. WHEN HER DAUGHTER WAS STUDYING IN THE 7TH CLASS SHE FOUND IT VERY DIFFICULT TO GO FOR OUTSIDE WORKS. THE NEARBY HOUSEHOLDS DEPLOYED HER IN STEAMING AND DRYING OF PADDY. SHE USED TO WAKE UP AT 4 AM TO INVOLVE IN THE PADDY PROCESSING WORKS. BY 8 AM SHE WOULD FINISH THE PRELIMINARY STAGES OF PADDY PROCESSING AND WOULD BE ABLE TO GO FOR GRANITE QUARRY WORKS. SHE WAS GETTING RS.2 AS THE WAGES FOR PROCESSING 2 *PARAS* OF PADDY. IT WAS SOME 25 YEARS BACK SHE WAS INVOLVED IN SUCH TYPES OF ACTIVITIES. THE EXPERIENCES SHE GAINED ON INVOLVING IN THE PROCESSING OF PADDY AT THE HOMESTEAD LEVEL HAD MOTIVATED HER TO START A SMALL PADDY PROCESSING UNIT OF HER OWN WITH THE HELP OF A SMALL OIL DRUM. PADDY REQUIRED FOR PROCESSING HAD BEEN PROCURED BY HER FROM THE HOMES OF

PADDY CULTIVATORS. PADDY WAS MEASURED IN TERMS OF *PARAS* (I.E., A NON METRIC SYSTEM OF MEASUREMENT). PADDY PROCURED FROM THE HOUSEHOLDS WERE BROUGHT HOME BY MEANS OF HANDCARTS AND BULLOCK CARTS. THE PAYMENTS FOR THE PADDY PROCURED FROM VARIOUS SMALL AND MEDIUM SCALE PADDY CULTIVATORS WERE MADE AFTER GETTING THE SALE PROCEEDS OF RICE FROM THE CUSTOMERS. SHE GAVE AT TIMES SMALL AMOUNTS TO THE CULTIVATORS AS AN ADVANCE AGAINST THE PURCHASE OF PADDY. MR. RAMAN PILLAI AT KAIPPATTORE, MR. KOTHI KUNJU VAREED, MR. KOTHI THOMAS, MR. DEVASSYKUTTY AND ENJAKKAL FAMILY OF MANICKAMANGALAM, SMT. SUBHADRA OF KANJOOR, AND MR. KALAMPARAMBAN VARKEY OF KALADY WERE HER MAIN SUPPLIERS OF PADDY AT THAT TIME. SHE ALSO USED TO PROCURE PADDY FROM THE ADJOINING AREAS LIKE PARAPPURAM, SREEMOOLANAGRAM AND CHOVARA OF THE ERSTWHILE KOCHIN PROVINCE THROUGH LOCAL INFORMANTS AND BROKERS. SHE USED TO PROCESS 10 TO 12 *PARAS* OF PADDY DURING EVERY WEEK. THE DE-HUSKING PROCESS WAS DONE EARLIER AT THE RICE MILL OWNED BY THE EDASSERY FAMILY AT KANJOOR AND LATER AT THE RICE MILL OF MR. EETTUNGAPPADY PRABHAKARAN AT KALADY. SHE HAD TO CARRY THE STEAM BOILED AND DRIED PADDY ON HEAD LOADS TO THE RICE MILL SITUATED AT KANJOOR AT THAT TIME FOR HULLING. THERE WAS A POLICE OUT POST AT THE BORDER OF THE TRAVANCORE – KOCHIN PROVINCE AT CHENGAL WHERE THE PADDY PROCESSORS CARRYING OR TRANSPORTING TO AND FROM KALADY WERE CAPTURED AND PUNISHED BY THE POLICE

OFFICIALS. THE PUNISHMENT WAS IN THE FORM OF LEVYING OF AN AMOUNT AS FINE, *ETTAM* (A MODE OF PUNISHMENT WHEREBY THE CULPRIT IS FORCED TO BOW HIS / HER HEAD BEFORE THE POLICE OFFICIALS BY HOLDING THE HANDS IN A CROSSED WAY ON THE EARS) AND THE SEIZING OF PADDY OR RICE FROM THE PADDY PROCESSORS. PADDY SEIZED WAS RELEASED ONLY IF THE OWNERS OR CULTIVATORS COME TO THE CHECK POST SHOWING VALID EVIDENCES TO THE OFFICIALS CONCERNED. TRADITIONAL PADDY PROCESSORS LIKE SMT. THRESSIAMMA USED TO RUN WITH HEAVY LOADS OF PADDY ON THEIR HEADS TO CROSS THE CHECK POST TO ESCAPE FROM THE POLICE OFFICIALS. AT THAT TIME KANJOOR, WHERE THE PADDY PROCESSING UNITS WAS SITUATED, WAS IN THE KOCHIN PROVINCE, WHILE KALADY WAS IN THE TRAVANCORE PROVINCE. PADDY WAS TRANSPORTED FROM HER HOME TO THE RICE MILL WITH THE HELP OF HANDCARTS. THE DE-HUSKED PADDY WAS THEN WINNOWER, CLEANED AND DE STONED MANUALLY BY DEPLOYING 2 TO 3 OTHER FEMALE WORKERS IN THE NEIGHBOURHOOD. SHE WAS RESIDING IN A RENTED HOUSE AT MATTOOR AT THAT TIME. ONE MR. ACHUTHAN NAIR, WHO WAS A HOTELIER, WAS HER MAIN CUSTOMER AT THAT TIME. BESIDES SUCH CUSTOMERS, SHE ALSO USED TO SELL RICE TO THE HOUSEHOLDS IN VARIOUS LOCALITIES AND IN THE KALADY, ANGAMALY AND ALUVA MARKETS. ABOUT 28 TO 30 *PARAS* OF RICE PER WEEK HAD BEEN REGULARLY SUPPLIED TO THAT HOTEL. DURING THAT TIME MR. EETTUNGAPPADY PRABHAKARAN, ONE OF THE OWNERS OF A SMALL RICE MILL WHERE SHE USED TO DE-HUSK PADDY TOLD HER ABOUT THE

LICENSING PROCEDURES OF SMALL RICE MILL. IN 1980, AS PER HIS ADVICE SHE HAD APPLIED FOR A LICENSE TO START A SMALL RICE MILL AT CHENGAL. SUBSEQUENTLY SHE HAD APPLIED FOR A BANK LOAN FROM THE SOUTH INDIAN BANK FOR AN AMOUNT OF RS.1, 25, 000, BUT THE BANK HAS PROVIDED HER A FINANCIAL ASSISTANCE OF RS.70, 000 ONLY. SHE GOT A SUBSIDY OF RS.30, 000 FOR HER UNIT FROM THE GOVERNMENT. SHE HAD PURCHASED A SMALL DE-STONING MACHINE WITH THE SUBSIDY AMOUNT. SHE AGAIN GOT A SUBSIDY OF RS.5, 000 ON THE PURCHASE OF THE DE-STONING MACHINE. WITH THAT AMOUNT SHE HAD PURCHASED A MOTORIZED BLOWER FOR PROCESSING THE PADDY. SHE HAD BEEN CONTINUING THESE ACTIVITY TILL A FEW YEARS BACK. NOW DUE TO THE EMERGENCE OF THE HIGH – TECH MODERN RICE MILLS SHE WAS ALMOST THROWN OUT OF THE INDUSTRY. DUE TO THE ACUTE COMPETITION AND ALSO DUE TO THE HEALTH PROBLEMS, SHE HAS NOW CONFINED HER ACTIVITIES TO A VERY LIMITED SCALE, CATERING TO THE NEEDS OF ONE OR TWO CUSTOMERS IN THE LOCALITY.

CHAPTER – VI

FINDINGS, CONCLUSIONS, SUGGESTIONS AND RECOMMENDATIONS

A. FINDINGS AND CONCLUSIONS

Following are the major findings and conclusions that emerge from the study:

- ❖ Majority (50 per cent) of the Jute Bag Manufacturing Units are situated in Okkal Grama Panchayath, which is in close proximity to Kalady Grama Panchayath. The rest of the Jute Bag Manufacturing Units (1 unit each) are located in Kalady, Perumbavoor, Rayamangalam, Malayattoor – Neeleeswaram and Koovappady Grama Panchayaths.
- ❖ Majority (60 per cent) of the Jute Bag manufacturing units in the study area are of partnership type, while 40 per cent of them are of proprietary type.
- ❖ 43 per cent of the Jute Bag manufactures are having an educational qualification of Pre-degree, while 33 per cent them have an educational qualification of S.S.L.C. Degree holders constitute 24 per cent of the total.
- ❖ Jute Bag industries Koovappady ranks first with an installed capacity of 20, 226 jute bags per day, followed by Excel Jute Bag works, with an installed capacity of 7,000 bags per day. Krishna Jute Bags ranks third with an installed capacity of 6, 000 jute bags per day among the Jute Bag manufacturing units surveyed.
- ❖ An analysis of the production of the units reveals that the Jute Bag Industries, Koovappady ranks first with a maximum output of 15,170 bags per day,

- followed by Thadikkaran Jute Bags with a Jute Bag production of 4, 500 bags per day. Kripa Jute Centre has the lowest production of 750 bags per day among the Jute Bag manufacturing units in the study area.
- ❖ An analysis of the capacity utilization of Jute Bag Manufacturing Units in the study area shows that Thadikkaran Jute Bag is the only unit, which utilizes cent per cent of its capacity. Jute Bag Industries, Koovappady and Kripa Jute Centre assume the second and third position, each utilizing 75 per cent of their installed capacities. Excel Jute Bag Works has the lowest percentage of capacity utilization (28.60 per cent).
 - ❖ All the Jute Bag Manufacturing Units covered under the study mainly employ the female workers, except in the case of the Jute Bag Industries, Koovappady. Among the units employing the female labourers, Cherupushpam Jute Bags, Okkal has the maximum number of female workers (25 female workers).
 - ❖ The analysis of the investments made by the owners of Jute Bag Manufacturing Units reveals that Jute Bag Industries, Koovappady, has the largest amount of investment (Rs.60 Lakhs), while Kripa Jute Centre, Okkal, has the lowest investment of Rs.6 Lakhs when compared to other Jute Bag Manufacturing Units in the locality
 - ❖ The major problems confronted by the Jute Bag Manufacturing Units in the locality are the Uncontrollable Fluctuations in the Prices of Raw Materials, Shortage and High Cost of Raw Materials, Lack of Skilled Labour, High Wage Rates, Low Utilization of Capacity, Lack of Union for Jute Fabric Procures, Lack of a Registered Association of Jute Bag Manufacturers, High Commission to Brokers, Unhealthy Competition, High Volatility in the Prices of Jute Bags, High

Cost of Transportation of Finished Products and Lack of Product Identity / Brand Name.

- ❖ **AN ANALYSIS OF THE NATURE OF OWNERSHIP OF THE PADDY PROCESSING UNITS IN AND AROUND KALADY REVEALS THAT 67 PER CENT OF THE PADDY PROCESSING UNITS ARE OF PARTNERSHIP TYPE, WHILE 18 PER CENT OF THEM ARE OF PROPRIETARY TYPE. UNITS REGISTERED AS PER COMPANIES ACT CONSTITUTE 15 PER CENT OF THE TOTAL.**
- ❖ **52 PER CENT OF THE PADDY PROCESSING UNITS ARE SEMI – AUTOMATED, WHILE 48 PER CENT OF THEM ARE FULLY AUTOMATED. NONE OF THE UNITS SURVEYED ARE NON-AUTOMATED IN NATURE.**
- ❖ Majority (78 per cent) of the units surveyed are observed to have an installed capacity of less than 40 tons per day and those units having an installed capacity of more than 60 tons per day represent 15 per cent of the total. Only 7 per cent of the units surveyed have an installed capacity of 40 – 60 tons per day.
- ❖ 81 per cent of the units utilize their full capacity and 19 per cent of them do not fully utilize their installed capacities.
- ❖ Majority (55 per cent) of the units surveyed deploy up to 25 workers at various stages of their production. Those units, which deploy 40 – 50 workers, represent 26 per cent of the total.
- ❖ Majority of the units utilize up to 5 skilled workers. Only 7 per cent of the units are observed to be utilizing more than 10 skilled workers.

- ❖ 37 per cent of the units surveyed utilize 5 – 10 semi skilled workers at different stages of their production. Only 4 per cent of the units surveyed are observed to be utilizing more than 20 semi skilled workers.
- ❖ **MAJORITY (67 PER CENT) OF THE UNITS UTILIZE 10 - 25 WORKERS. ONLY 4 PER CENT OF THE UNITS ARE OBSERVED TO BE DEPLOYING 40 - 50 UN-SKILLED WORKERS AND NONE OF THE UNITS SURVEYED ARE FOUND TO BE DEPLOYING MORE THAN 50 UN-SKILLED WORKERS.**
- ❖ 70 per cent of the units surveyed did not make any significant changes in their number of workers, while 30 per cent of the units have made changes in their number of workers.
- ❖ Out of 8 units, which have effected a change in the number of employees, 50 per cent of them have changed the number of employees depending up on the quantum of their production. 38 per cent of the units have increased their number of employees, while 12 of the units have decreased their number of employees.
- ❖ Majority (40 per cent) of the Paddy Processing Units have recruited their skilled workers from the local area. 26 per cent of the units have recruited their skilled workers from outside the district, while 15 per cent of such units have recruited their skilled workers from outside the State. Those who have recruited their skilled workers from local area and outside the State constitute 7 per cent of the total.
- ❖ Majority (67 per cent) of the Units have recruited their unskilled workers from outside the State. The units, which have recruited their unskilled workers from

outside the district, Outside the District and Outside the State and Local Area and Outside the State account for 7 per cent each of the total.

- ❖ 33 per cent of the units surveyed procure paddy from outside the district but within the State and also from outside the State, while the units, which procure paddy from within and outside the district and Outside the State represent 19 per cent of the total.
- ❖ Majority (55 per cent) of the Paddy Processing Units procure their raw materials through local paddy brokers. Those who procure paddy through the agents appointed by them and through other methods like local paddy brokers and Direct purchase from cultivators outside Kerala, local paddy brokers and paddy brokers within and outside Kerala account for 7 per cent of the total.
- ❖ Majority of the Paddy Processing Units surveyed are observed to have procured their raw materials mainly from the State of Tamil Nadu and Karnataka. The other states from which the units procure their raw materials, in the order of their preferences, include the states like Andhra Pradesh, Gujarat, Madhya Pradesh, Uttar Pradesh, Rajasthan, Punjab, Maharashtra, and Orissa. Shimoga and Mysore in Karnataka and Thanjore and Dindigal in Tamil Nadu are the major places from where paddy is brought by many of the Paddy Processing Units in this locality.
- ❖ All the units surveyed are observed to have their own storage facilities for keeping the raw paddy in their own premises.
- ❖ 25 per cent of the units have a storage capacity of 5 – 10 lorry loads of paddy, while those who are having a storage capacity of 11 – 25 lorry loads of paddy

represent 22 per cent of the total. 15 per cent of the units surveyed have a storage capacity ranging from 26 – 50 lorry loads.

- ❖ Majority (59 per cent) of the Paddy Processing Units purchase their raw materials on a daily basis, while those who procure their raw materials on alternative days and on the basis of their requirements represent 30 per cent and 11 per cent respectively.
- ❖ Majority (89 per cent) of the Paddy Processors have their own storage facilities within the locality itself for keeping the raw materials, while those who have their own storage facilities within and outside the locality represent only 11 per cent of the total
- ❖ All the units surveyed are observed to have their prime preference on the purchase of 'Matta' variety of paddy for processing due to its high demand in the market.
- ❖ Almost all the entrepreneurs of the units surveyed have also opined that they prefer 'Jyothy Matta' to other varieties of paddy.
- ❖ All the units surveyed are found to have their own system of grading at the time of purchase of paddy. The paddy purchased by the units are usually graded into First, Second and Third by the owners of the rice mills on the basis of the water content, extent of maturity of paddy, the chaffy grains contained in the lot, etc.
- ❖ All the units surveyed are observed to have a system of payment of brokerage / commission to the paddy brokers in connection with the procurement of paddy.
- ❖ Majority (94 per cent) of the Paddy Processors pay brokerage / commission to their brokers as a fixed amount (Rs. 100) per lorry / truck load. Those who

resort to the other methods of payment of brokerage constitute a miniscule share (3 per cent) of the total.

- ❖ An analysis of the procedures for the procurement of paddy by the processors indicates that in 37 per cent of the cases, the paddy brokers approach with their offers to the Paddy Processors, while in 26 per cent of the cases, the paddy brokers approach with their offers to the processors and the processors approach the brokers with their requirements. Other procedures regarding the procurement of paddy constitute only a miniscule share (4 per cent) of the total.
- ❖ In majority (63 per cent) of the cases, it is observed that the rice mill owners are the ultimate price fixers of paddy and in 26 per cent of the cases paddy brokers and rice mill owners jointly fixes the price of paddy. Only in 11 per cent of the cases paddy brokers are observed to be the price fixers of paddy in the market.
- ❖ **ALL THE OWNERS OF THE RICE MILLS SURVEYED HAVE UNANIMOUSLY OPINED THAT THEY PURCHASE PADDY EXCLUSIVELY ON THE BASIS OF THE SAMPLES SHOWN TO THEM BY THE PADDY BROKERS, TRADERS AND CULTIVATORS.**
- ❖ In majority (78 per cent) of the cases, the rice mill owners are observed to make the purchases on the basis of the samples shown to them by the paddy brokers at the time of purchase of paddy, while in 15 per cent of the cases the purchases are effected on the basis of the samples shown earlier by the brokers, traders or cultivators.
- ❖ In 48 per cent of the cases, it is found that the agents of rice mill owners verify the quality of the samples shown to them by the paddy vendors at the time of purchase of paddy, while in 26 per cent of the cases the process of verification

of the samples are done by the rice mill owners. The relative share of the agents of paddy vendors, the representatives of rice mill owners and paddy brokers and the agents of rice mill owners in the process of verification of the samples of paddy represent 4 per cent each of the total.

- ❖ 56 per cent of the respondents have opined that the price of the paddy brought in the market is finally determined through the open / secret negotiation with paddy brokers and rice mill owners, while those who have reported that the price of paddy is determined by way of open / secret negotiation with paddy brokers and rice mill owners represent 15 per cent of the total.
- ❖ 74 per cent of the owners of rice mills surveyed have revealed that the quality of paddy is the important criterion in the determination of price of paddy brought to the market. The respondents who have reported that the quality of paddy as well as the place of origin of paddy as the determinants of price constitute 7 per cent of the total.
- ❖ Majority (93 per cent) of the rice mill owners have reported that there is no sincere co-operation among them, while 7 per cent of them have opined that there is a co-operation among the units in this locality.
- ❖ Majority (93 per cent) of the respondents have opined that there has not been any proper arrangements made by the Rice Mill Owners' Association for the co-operative procurement of paddy, while a miniscule share of them have reported that there has been some sort of arrangements made at times by the Association in this regard
- ❖ 37 per cent of the owners of the units surveyed reveal that the investment from their own sources in the units ranges from 26 to 30 percent of the total

investment. 7 per cent of the respondents have opined that they have been running their units fully out of loans taken from various sources.

- ❖ Majority (48 per cent) of the owners of the units surveyed reveal that more than 76 per cent of the total capital investment made by them are raised out of various loans.
- ❖ 41 per cent of the respondents have mobilized their funds for meeting the fixed capital requirements out of the loans from Scheduled Commercial Banks. Those who have mobilized their funds for meeting their fixed capital requirements out of the loans taken from Private Banks constitute 15 per cent of the total. Another 15 per cent of the respondents have taken loans from Private banks as well as Scheduled Commercial Banks for meeting their fixed capital requirements.
- ❖ Majority (44 per cent) of the respondents have utilized the loan amounts raised by them mainly for meeting their working capital requirements, while those who have utilized the loans for investments in machineries represent 30 per cent of the total. The respondents who have invested their loan amounts in buildings and other fixed assets account for 7 per cent of the total.
- ❖ 56 per cent of the owners of the units are observed to have utilized their own funds (sales revenue) for meeting their working capital requirements and those who have availed bank loans as a source of their working capital represent 30 per cent of the total.
- ❖ Majority (81 per cent) of the units surveyed are observed to have availed a credit period up to 15 days from the suppliers of paddy. Only a miniscule share

of the Paddy Processors have either availed a credit period up to 60 days or made down payments on the purchase of paddy.

- ❖ Majority (63 per cent) of the units surveyed are found to have availed a credit period up to 15 days from the suppliers of jute bags for packing their finished products. Those who have availed a credit period up to 30 days from their suppliers represent 33 per cent of the total.
- ❖ Majority (59 per cent) of the units surveyed, on an average, give a credit period up to 15 days to their customers. Those who give a credit period up to 60 days to their customers represent only 4 per cent of the total.
- ❖ 44 per cent of the respondents reveal that they have made a large amount of investment for the expansion of the capacity of their machineries. The Paddy Processors who have not made any investment during the last five years for the expansion of the capacity of their machineries represent 41 per cent of the total. 15 per cent of them have made only a small amount of investment for the expansion of the capacity of their machineries.
- ❖ Majority (81 per cent) of the Paddy Processors have not made any type of capital investment for their product diversification. Those who have made a small investment for such purposes represent 19 per cent of the total.
- ❖ 48 per cent of the entrepreneurs reveal that they have made a large amount of investment for the modernization of machineries and equipments. Those who have not made any capital investment for the same represent 26 per cent of the total.
- ❖ Paddy Processors who have made a large amount of capital investment for the purchase of vehicles for transporting their finished goods constitute 41 per cent.

33 per cent of the respondents report that they have not made any capital investment for such purposes.

- ❖ **MAJORITY (86 PER CENT) OF THE ENTREPRENEURS REVEAL THAT THEY HAVE NOT MADE ANY TYPE OF INVESTMENT FOR THE CONSTRUCTION OF GODOWNS FOR THE PROCUREMENT OF PADDY EITHER WITHIN THE STATE OR OUTSIDE THE STATE FOR THE LAST 5 YEARS.**
- ❖ **MAJORITY (89 PER CENT) OF THE ENTREPRENEURS OF THE UNITS UNDER STUDY HAVE REPORTED THAT THEY HAVE NOT MADE ANY TYPE OF INVESTMENT FOR THE CONSTRUCTION OF SHOPS FOR THE SALE OF THEIR PRODUCTS FOR THE LAST 5 YEARS.**
- ❖ **MAJORITY (63 PER CENT) OF THE PADDY PROCESSORS COVERED UNDER THE STUDY REVEAL THAT THEY HAVE NOT SPENT ANY AMOUNT FOR MARKETING AND SALES PROMOTION ACTIVITIES FOR THE LAST FIVE YEARS. THOSE WHO HAVE SPENT A SMALL AMOUNT FOR THE SAME REPRESENT 26 PER CENT AND THOSE WHO HAVE SPENT A LARGE AMOUNT FOR SUCH ACTIVITIES 11 PER CENT OF THE TOTAL.**
- ❖ **MAJORITY (92 PER CENT) OF THE OWNERS OF THE UNITS SURVEYED REPORT THAT THEY HAVE NOT MADE ANY INVESTMENT FOR THE PURCHASE OF REAL ESTATES OR SHARES.**
- ❖ Majority of the Paddy Processors reveal that they haven't had any savings during the last five years, while only 4 per cent of them reveal that they have had a small amount of savings from their business.

- ❖ Majority (96 per cent) of the owners of the Paddy Processing Units reveal that they have not spent any amount for the maintenance of their factory buildings, while those who have spent a large amount for such purposes represent only 4 per cent of the total.
- ❖ None of the Paddy Processors have sub contracted their works to other Paddy Processors.
- ❖ None of the owners of the Paddy Processing Units have reported that they had undertaken the sub contract works of other Paddy Processors
- ❖ 30 per cent of the suppliers of raw materials are from outside the State, while the suppliers of raw materials from outside the District as well as out side the State also constitute 30 per cent of the total.
- ❖ 51 per cent of the suppliers of components to the units are from the local areas. 18 per cent of the suppliers of the components are from the local as well as from outside the State, while those who supply such items from local areas and from within the district represent 7 per cent of the total.
- ❖ All the suppliers of the machineries required for the units are brought from outside the State.
- ❖ Majority (77 per cent) of the Paddy Processing Units get the rubber shellers / rollers from the local suppliers, while 15 per cent of them get the same from within the district. The respondents who get the supply of the same from outside the State constitute 4 per cent of the total.
- ❖ The respondents have opined that 37 per cent of their customers are from the local area, within the district and from outside the district. In 18 per cent of the cases the customers are from outside the district only.

- ❖ Majority (85 per cent) of the Paddy Processing Units in the study area revealed that they are not involved in the production of any other types of allied products. 15 per cent of them have disclosed that they are also involved in the production of other allied products, such as rice flakes, rice powder, etc.
- ❖ Some of the Paddy Processing Units in this locality are observed as selling their processed paddy in more than one brand name.
- ❖ Some of the Paddy Processing Units surveyed are also found to have involved in bringing rice produced by other Paddy Processing Units situated outside the district and outside the State in bulk quantities for sale after polishing and repacking the same in their own brand names.
- ❖ In 25 per cent of the cases the customers of other allied products of Paddy Processing Units are from the nearby localities and in another 25 per cent of the cases the customers are from outside the district.
- ❖ In majority (48 per cent) of the cases the repairs of machineries and equipments of the Paddy Processing Units in the study area are get done by the workers of the units themselves and in 22 per cent of the cases the same is get done by the experts in the local areas.
- ❖ In majority (96 per cent) of the cases the accounting works of the owners of the units are get done by the workers of their units themselves and in 4 per cent of the cases the same is done by their own workers and experts from out side the locality.

- ❖ Category – wise details regarding the decision takers with regard to the cost of products of the Paddy Processing Units reveal that the cost of the finished products are always determined by the owners themselves.
- ❖ **IN MAJORITY (78 PER CENT) OF THE CASES THE SERVICES FUNCTIONS SUCH AS THE MARKETING STRATEGIES, DESIGNS FOR THE ADVERTISEMENTS, ETC., OF THE UNITS ARE GET DONE BY THE WORKERS OF THE UNITS THEMSELVES. IN 11 PER CENT EACH OF THE CASES, THE SAME IS GET DONE BY THE EXPERTS FROM THE LOCAL AREA AND ALSO FROM OUT SIDE THE LOCALITY.**
- ❖ **THE MARKETING STRATEGIES OF THE PADDY PROCESSING UNITS ARE ALWAYS DETERMINED BY THE OWNERS OF THE UNITS THEMSELVES.**
- ❖ In majority (92 per cent) of the cases it is observed that the owners themselves introduce product innovations.
- ❖ In majority (96 per cent) of the cases the product diversification of the Paddy Processing Units are introduced by the owners themselves.
- ❖ In majority (89 per cent) of the cases own workers of the units are found as involved in the marketing of bye – products of the units.
- ❖ In majority (93 per cent) of the cases, the Research and Development works of the entrepreneurs are carried out by the experts from outside the locality. Those who perform the same with the help of their own workers constitute a miniscule share (4 per cent) of the total.
- ❖ The selection of the employees of the Paddy Processing Units is always done by the owners themselves.

- ❖ 56 per cent of the Paddy Processors have not seriously felt the requirement of a special agency for rendering various service functions to them, while 44 of them have opined that they require the dire need of the services of a special agency in the locality for the same.
- ❖ Majority (30 per cent) of the entrepreneurs covered under the study reveal that they directly sell their outputs to the retailers within the locality, while 26 per cent of them resort to the direct sale of their products to the consumers, retailers and the wholesalers
- ❖ 37 per cent of the Paddy Processors reveal that they directly sell their products to the retailers and wholesalers outside the locality, while 30 per cent of them sell their products directly to the wholesalers only. Those who sell their finished products directly to the retailers represent 11 per cent of the total. Those who sell their products exclusively to export agents and those who give their products to the wholesalers as well as export agents form 7 per cent each of the total.
- ❖ In majority (70 per cent) of the cases the Paddy Processors resort to the delivery of their products within the reach of their customers as well as to the customers who come to their units to buy the goods.
- ❖ On analyzing the extent of process innovation, it is discernible that majority (63 per cent) of the Paddy Processing Units in and around Kalady have been using a moderate technology with respect to their process of production. Those who have been using advanced and sophisticated technology in the production process represent 37 per cent of the total.

- ❖ Majority (93 per cent) of the Paddy Processors have made technical innovations in their units to compete with other firms in the locality.
- ❖ 16 per cent of the Paddy Processors reveal that the idea for technical innovation of their units has been developed through discussions made with the technical consultants. 12 per cent of the entrepreneurs have generated the idea for technical innovations with the co – operation of their workers, vendors of machineries / equipments, local experts / technicians and on imitating other firms in the similar line of business within the cluster / locality. Those who developed the idea of technical innovations in co-operation with the vendors of machineries / equipments as well as in co-operation with the local experts / technicians also represent 12 per cent of the total.
- ❖ Majority (70 per cent) of the Paddy Processors have opined that they have not made any product innovation in their units, while 30 per cent of them have reported that they have introduced product innovations in their enterprises.
- ❖ 24 per cent of the Paddy Processors reveal that they themselves have developed the ideas for product innovation of their units. Another 24 per cent of them have opined that the ideas for product innovations of their units have been generated in co-operation with the workers, the Vendors of Machineries / Equipments and in association with the Local experts / Technicians.
- ❖ Majority (96 per cent) of the rice mill owners covered under the study report that they have not made any changes in the organizational structure of their units for the last five years, while those who are reported to have changed the organizational structure of the unit from Proprietary to Partnership concern represent 4 per cent of the total.

- ❖ The Field Survey conducted among the Paddy Processors in an around Kalady shows that majority (63 per cent) of their competitors, from within the locality, are the large scale enterprises, followed by the medium scale enterprises (33 per cent) and the small scale enterprises (4 per cent).
- ❖ In majority (55 per cent) of the cases the entrepreneurs are reported to have faced the competition from the large scale enterprises from other parts of the State. Those who have to face the competition from the medium scale enterprises represent 41 per cent.
- ❖ Majority (67 per cent) of the Paddy Processors in and around Kalady have to face acute competitions of the large scale enterprises from other parts of the country, while those who have to face such competitions from the medium scale enterprises represent 33 per cent of the total.
- ❖ 48 per cent of respondents have opined that the quality of their products is one of the strengths they enjoy when compared to their counterparts in the adjoining districts and outside the State. Credit schemes happen to be the strength of 30 per cent of the respondents surveyed. In 18 per cent of the cases, Prices of the products prove to be the strength of the processors in comparison with other processors outside the locality.
- ❖ 42 per cent of respondents have opined that the lack of different varieties of the same products to cater to the needs of different strata of the society is the major weakness of their units. Lack of product heterogeneity happens to be the weakness of 33 per cent of the respondents surveyed. In 18 per cent of the cases, Lack of attractive designs turns out to be the weakness of the processors in comparison with other processors outside the locality.

- ❖ Only in the case of 7 per cent of the units, employees are reported to have gone out of the firm to start their own independent units.
- ❖ Majority (51 per cent) of the Paddy Processors have not made any type of business relations with other Paddy Processors in the locality, while 49 per cent of them have made such relationships with other Paddy Processors in the locality.
- ❖ Majority of the processors make frequent discussions with other entrepreneurs, while 26 per cent of them do not make any discussion with other entrepreneurs in the locality.
- ❖ 30 per cent of the entrepreneurs reveal that they are involved in frequent discussions with other Paddy Processors, in the locality, with regard to the raw materials, machineries, accessories and the present market trends. Those who make discussions regarding the matters like Raw materials, Machineries and accessories constitute 20 per cent of the total.
- ❖ In majority (56 per cent) of the cases the entrepreneurs do not share their orders with other Paddy Processors in the locality, while those who share their orders with other Paddy Processors represent 44 per cent of the total.
- ❖ Majority (85 per cent) of the Paddy Processors are not involved in any type of joint business ventures / activities with other Paddy Processors in the locality, while 15 per cent of them are involved in joint business ventures / activities with other units in this area.
- ❖ Out of the 4 entrepreneurs who are involved in the joint business ventures / activities, 2 of them are found to have involved in the joint purchasing of the raw

materials with other units in the locality and 1 entrepreneur is observed to have involved in the joint transportation of the inputs / outputs.

- ❖ None of the Paddy Processors surveyed are involved in any sort of joint business venture / activity with other units outside the locality.
- ❖ Majority (74 per cent) of the respondents do not have made any investment in other similar / dissimilar firms. Those who have made investments in other dissimilar firms represent (14 per cent) of the total and those who have made investment in other similar firms constitute 12 per cent of the total (12 per cent).
- ❖ No investments have been made by any other firms in majority (93 per cent) of the units. Those units in which other firms have made investments represent only 7 per cent of the total.
- ❖ Majority (93 per cent) of the Paddy Processors, in and around Kalady, reveal that they do not have the membership in any business associations.
- ❖ All the entrepreneurs of the Paddy Processing Units surveyed have opined that they have membership in the Rice Mill Owners' Association.
- ❖ Majority of the Paddy Processors in the study area have opined that they have not been getting any sort of services from the Rice Mill Owners' Association, except in the case of Advices on Legal Matters, Bargaining With Trade Unions, Bargaining with the Government, Pricing Policies, Tackling of Storage, Transporting and Marketing Problems and Dissemination of Information pertaining to the current market conditions. 11 respondents have reported that they often get assistance from the association in the form of Advices on Legal Matters, while 10 Paddy Processors have opined that they get service assistances in the case of Bargaining with the Government.

- ❖ Majority (59 per cent) of the entrepreneurs have opined that they resort to both the own and hired vehicles for the transportation of their finished goods. Those who use their own vehicles only for the purpose of transportation of their finished products represent 34 per cent of the total.
- ❖ All of the Paddy Processors in the cluster have their own storage facilities for keeping their finished products.
- ❖ Majority (96 per cent) of the Paddy Processors own their own storage facilities within the locality itself. Those who have their own storage facilities within and outside the locality represent only 4 per cent of the total.
- ❖ Majority (81 per cent) of the owners of the units reveal that they have no show rooms / sales out lets for the direct marketing of their finished products. Those who possess their own show rooms / sales out lets constitute 19 per cent of the total.
- ❖ Out of the 5 Paddy Processors who have their own show rooms / sales outlets, 60 per cent of them are having such showrooms / sales outlets within the district and the remaining 40 per cent of them possess their showrooms / sales outlets outside the district.
- ❖ 56 per cent of the units have an average credit collection period up to 30 days, while 26 per cent of them have an average credit collection period up to 15 days. Only 7 per cent of the owners of the units report that they provide a maximum credit collection period of more than 60 days.
- ❖ Ranking of the intensity of the sale of various categories of finished products by the Paddy Processors indicates that 10 Kg. bags of rice assume the 1st rank (38.46 per cent), followed by 75 Kg bags (34.41 per cent) and 25 Kg bags

(23.89 per cent). The owners of the Paddy Processing Units have also reported that they use to sell 20 Kg bags only in the export market, especially in the Middle East Countries.

- ❖ Majority (60 per cent) of the owners of the units reveal that the Matta (Bold) variety of rice as the fast moving type, while 40 per cent of them have opined that this variety has been moving slowly in certain segments of the market.
- ❖ In majority (70 per cent) of the cases it is observed that the Matta (Vady) variety of rice as the fast moving type in certain localities of the State.
- ❖ All the Paddy Processors unanimously opined that all other varieties of rice other than Matta (Bold) and Matta (Vady) are deadly slow moving varieties.
- ❖ 23 per cent of the Paddy Processors surveyed use Calendars of alluring designs as their media of advertisement. Those who depend on the local cable TV and TV for the purpose of their advertisement represent 15 per cent and 11 per cent respectively. Other media of advertisements resorted by the respondents constitute only a small share of the total.
- ❖ 30 per cent each of the entrepreneurs, on an average spend an annual amount ranging from Rs. 2,00,001 to 5,00,000 and Rs. 5,00,001 and above towards the advertisement of their products. 7 per cent each of the Paddy Processors spend an annual amount ranging from Rs. 20, 001 to Rs. 50, 000 and Rs. 50, 001 to Rs.1, 00, 000 in connection with the advertisement of their products.
- ❖ Ranking of the problems faced by the owners of the Paddy Processing Units in and around Kalady in the order of their gravity indicates that the Cost of advertisement, Electricity and Transportation (15.17 per cent) is the most important problem, followed by Shortage of Raw Materials (13.88 per cent),

- Undue Delay in Collection of Debts (12.93 per cent), Multitude of Paddy Processors within the locality (11.85 per cent), Erratic Fluctuations in the Prices of Paddy (11.64 per cent), Competition from Similar Units in Other Districts (10.77 per cent), Shortage of Working Capital (7.78 per cent), Problems associated with the Storage of Raw Materials (7.72 per cent), Labour Problems (4.81 per cent) and Other allied problems (3.45 per cent).
- ❖ Majority (74 per cent) of the entrepreneurs have opined that the number of fully automated units will increase in the next 10 years, while 26 per cent of them have opined that there will be a dwindling trend in the number of such units during the next 10 years. None of them have opined that the number of Fully Automated units in this locality will neither increase nor decrease during the next 10 years.
 - ❖ In majority (67 per cent) of the cases, the owners of the units have revealed that the number of Semi - automated units will decrease over the next 10 years due to the increase in the number of fully automated units in the locality.
 - ❖ Majority (89 per cent) of the entrepreneurs have opined that the number of non-automated units will decrease in the next 10 years.

B. SUGGESTIONS AND RECOMMENTATIONS

- ❖ Proper measures should be taken by the Government to reduce the present power tariff rates applicable to the Paddy Processing Units by considering the importance of this industry in the economy of the State.
- ❖ A Research and Development Centre should be established at Kalady for bringing out innovative value-added products out of rice.
- ❖ Research Works should be encouraged to make value - added products like passolana cement, silicate extraction, manufacture of bio – fertilizers, etc., out of the husk ash, which has been creating a severe environmental problem to the people due to the clustering of Paddy Processing Units in this locality.
- ❖ A centralized Designing Centre should be set up at Kalady with the assistance of the Rice Mill Owners' Association to cater to the needs of all the Paddy Processing Units in this locality.
- ❖ An institution - industry linkage should be developed at Kalady with the co-operation of the Rice Mill Owners' Association and the Institutions of Excellence in the adjoining areas in assistance with the Government to utilize the research facilities and potentialities of such educational institutions for evolving various

production and marketing strategies inevitable for the development of the industry.

- ❖ A standardized pricing policy should be adopted by the Government in the fixation of a fair price for the rice processed and marketed by all the Paddy Processing Units in Kerala.
- ❖ Special incentives and subsidies should be allowed by the Government to each and every unit in the paddy-processing cluster located in and around Kalady to make the units competitive in all respects.
- ❖ The Government should take measures for the adherence of strict quality parameters by the Paddy Processing Units in respect of each of the brands of rice brought out by them as in the case of the fat content of milk.
- ❖ Steps should be taken by the Government to control the blending of dyes and chemicals, which are injurious to health, by some of the Paddy Processing Units to make the inferior quality rice in attractive forms.
- ❖ Steps should be taken by the Government to distribute the rice produced by the Paddy Processing Units in Kerala through the Public Distribution System.
- ❖ Performance Awards should be instituted by the Rice Mill Owners' Association to motivate the Paddy Processors, who have attained fantastic performance in terms of the production and marketing of rice and allied products.
- ❖ Rice Mill Industry in Kerala should be included by the Government in the High Priority Sector by considering its decisive role as the supplier of one of the most indispensable items of life of Keralite.
- ❖ As there is no co – operation among the Paddy Processors in the locality in respect of the collective efforts for the procurement of paddy, product

innovation, product diversification, etc., immediate steps should be taken by the Rice Mill Owners' Association in co-ordinating its activities in this regard.

- ❖ The same pollution control measures applicable to big chemical industrial units like FACT, etc., are also made applicable to the Paddy Processing Units, which are making lesser pollution of the environment when compared to other companies. Hence adequate measures should be taken by the Government to formulate a less stringent pollution control measures applicable exclusively to the Paddy Processing Units.
- ❖ As there is no officially recognized Association of Jute Bag Manufacturers in the State, it is high time to constitute a Jute Bag Manufacturers Association at the State level with the co – operation of all the Jute Bag Manufacturers to tackle their problems.
- ❖ Unhealthy competitions of various forms have been found to be the root causes of many problems in the Jute Bag Manufacturing Sector in this locality. An efficient Association of Jute Bag Manufacturers, capable of formulating and implementing healthy business practices among its members alone can help the Jute Bag Manufacturers in this area from sustaining severe losses due to the unhealthy competitions among them.
- ❖ The shortage of skilled labour was found to be a significant hindrance to the optimum utilization of the plant capacity of the Jute Bag Manufacturers. Hence immediate steps should be taken by the Jute Bag Manufacturers themselves in jointly bringing the skilled and efficient labourers from outside the State to solve the problem.

- ❖ Immediate measures should be taken jointly by the Jute Bag Manufacturers to establish their brand names / product identities either by putting their insignias or emblems any where on their finished products.

APPENDICES

APPENDIX – I

SCHEDULE FOR COLLECTING INFORMATION ABOUT JUTE BAG MANUFACTURING UNIT

Block – I

GENERAL INFORMATION

- 1.1. Area
- 1.2. Area Code
- 1.3. Name of the Unit
- 1.4. Location of the unit
- 1.5. Year of Establishment
- 1.6. Name and Address of the Unit owner:
- 1.7. Educational Qualification of the Owner:
 General Technical (if any) Prior Experience (if any)

Block – II

DETAILS REGARDING THE UNIT

- 2.1 Nature of Ownership (use tick marks)
 Proprietary Partnership Private Ltd. Co.
- 2.2 Whether registered or not:
- 2.3 Nature of Registration and No.
- 2.4 Nature of unit (use tick marks)
 Fully Automated Semi-automated Non-automated
- 2.5 Installed Capacity: _____ units per day
- 2.6 How did the idea occur to you to start the business?
- 2.7 Total number of workers employed:
a. Office Staff _____ . b. Operational Staff _____ .
- 2.8 Skill – wise classification of Male and Female Workers

Skilled Workers		Semi Skilled Workers		Unskilled Workers	
Male	Female	Male	Female	Male	Female

2.9. Total Number of Male Workers :

2.10 Total Number of Female Workers :

2.11 Which are your main Production Problems?

1

2

3

4

5

2.12 Which are your main Marketing Problems?

1

2

3

4

5

2.13 Additional Information or remarks if any:

APPENDIX – II

**SCHEDULE USED FOR THE SURVEY AMONG THE PADDY PROCESSORS
IN AND AROUND KALADY**

Block – I

General Information

1.1 Location: _____ Ward: _____ Panchayath: _____

1.2 Name of the Unit: _____

1.3 Year of Establishment: _____ Name of the Owner/s: _____

1.4 Nature of Ownership (Use Tick Marks)

Proprietary Partnership Pvt. Ltd. Co.

1.5 Nature of the Unit (Use Tick Marks)

Fully-automated Semi-automated Non-automated

1.6 Installed Capacity: Tons per day / month

1.7 Do you fully utilize your plant capacity? Yes No

1.8 Capacity utilization : Tons per day / month

1.9 Details of the Unit

No. of workers employed:

Skilled	Semi-skilled	Unskilled	Total

1.10 Was there any change in the number of workers over the last 5 years? Yes No

1.11 If the answer is Yes, what was the nature of change in the number of workers? (Use Tick Marks)

Increased Decreased Fluctuated on the basis of production

1.12 From where do you get the workers for their enterprise?

Type of Workers	Location			
	Local area	Other Districts in the State	Other States in the country	Others (Specify)
Skilled Workers				
Unskilled				

BLOCK – II

PROCUREMENT OF RAW MATERIALS

2.1 FROM WHERE DO YOU PURCHASE PADDY FOR PROCESSING? (USE TICK MARKS)

Within the district Outside the district but within the State

Within and out side the district Out side the State

2.2 IF PADDY IS PURCHASED FROM OUTSIDE THE STATE, SPECIFY THE AREAS AND STATES FROM WHERE IT IS PURCHASED:

2.3 How do you procure paddy for processing? (Use Tick Marks)

Through local paddy brokers Through paddy brokers

outside Kerala

Through paddy brokers within and outside Kerala Through agents appointed

by the concern

Direct purchase from cultivators in Kerala Direct purchase from cultivators

outside Kerala

PURCHASE THROUGH WHOLESALE AGENTS FROM KERALA PURCHASE THROUGH WHOLESALE AGENTS OUTSIDE KERALA

OTHER AGENCIES (SPECIFY):

2.4 (a) Do you have any storage facilities for the raw materials? Yes No

(b) If yes, mention whether it is: Within the Locality Outside the Locality Both

2.5 If the answer is yes, how much quantity of paddy do you keep as stock?..... Tons / day / month.

2.6 How often do you procure paddy for processing (Use Tick Marks)

Once in every day Alternative days Once in every week Others

(specify):.....

2.7 Is there any preference as to the variety of paddy purchased? Yes No

2.8 If the answer is yes, mention the varieties of paddy in order of their preference.

a.

b.

c.

2.9 If there any system of grading of paddy? Yes No

2.10 If the answer is yes, specify the Grades:

2.11 Which variety / Grade of paddy do you prefer to buy?

2.12 Mention the reasons for your preference:

2.13 Do you pay any Commission / Brokerage? Yes No

2.14 If the answer is Yes,

(a) How the Commission / Brokerage is paid? (Use Tick Marks)

as a percentage of procurement price per lorry/truck/wagon load

others (specify)

(b) How much is the Brokerage / Agent's Commission?

Rs. per tone / lorry load / wagon load

2.15 Which is the usual procedure for the procurement of paddy? (Use Tick Marks)

Paddy brokers approach with their offers to the processors

Processors approach the brokers

Agents of the paddy traders approach with their offers to the processors

2.16 Who fixes the price of paddy brought in the market? (Use Tick Marks)

Paddy broker Rice mill owner Agent of rice mill owner

Paddy brokers & Rice mill owner Others (Specify)

2.17 Is the purchase effected on the basis of samples shown? Yes No

2.18 If the answer is Yes,

(a) Is the purchase is made on the basis of

Samples shown earlier Samples shown at the time of purchase Both

(b) Who verifies / takes the samples of paddy brought for sale? (Use Tick Marks)

Paddy broker Sub broker Agent of paddy vendor

Agent of rice mill owner Representatives of the rice mill owners

2.19 How the price of paddy brought in the market is finally determined? (Use Tick Marks)

Through auction

Through open / secret negotiation with the vendor and rice mill owner

Through open / secret negotiation with the vendor and paddy broker

Through open / secret negotiations among the vendor, paddy broker and the rice mill owner

Through open / secret negotiation with paddy broker and rice mill owner

2.20 Which are the common criteria behind the fixation of price? (Use Tick Marks)

- Quality of paddy Place of origin Extent of demand
 Period of credit Others (specify)

2.21 Is there any co-operation among the rice mill owners in the procurement of paddy?

- Yes No

2.22 If the answer is yes, mention the areas of co-operation

2.23 Is there any arrangements have made by the rice mill owners' association in the co-operative

procurement of paddy for their members? (Use Tick Marks) Yes No

2.24 If the answer is yes, which are the arrangements made?

2.25 Which are your problems pertaining to the procurement of paddy?

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

BLOCK – III

details regarding finance

3.1 What percentage of capital investment in your own organization constitutes:

	Per cent
Your own sources	
Loans	

3.2 From where did you mobilize the funds for fixed capital requirements? (Use Tick Marks)

- Loans from friends and relatives Loans from Private banks
 Scheduled commercial banks Other financial institutions
 Local money lenders Others (Specify)_____.

3.3 For what purpose major part of the loans were utilized? (Use Tick Marks)

- Working capital Investment in Machineries Building and other fixed assets

3.4 Which are the main sources of funds for the day-to-day operations of business?

(Use Tick Marks)

- Own fund Bank Loan Loans from financial institutions
 Loan from money local lenders

3.5 How many days after delivery do you normally pay for your inputs (raw material)?

(Use Tick Marks)

- A. Paddy:- Down Payment upto 15 days upto 30 days
 upto 60 days more than 60 days
- B. Jute Bags - Down Payment upto 15 days upto 30 days
 upto 60 days more than 60 days

3.6 What percentage of your output is sold for: Cash:..... (%) / Credit:..... (%)

3.7 Average period of credit allowed to customers? (Use Tick Marks)

- upto 15 days upto 30 days upto 60 days more than 60 days

3.8 In what all areas having invested your funds in last 5 years? (Use Tick Marks)

Sl. No.	Areas of Investment	Large Amt.	Small Amt.	Nil
1	Expansion of the capacity of Machineries			
2	Product Diversification			
3	Modernization of Machineries and Equipments			
4	Purchase of Vehicles for transportation of products			
5	Godowns for procurement of paddy in the state / out side the state			
6	Shops for sale of products			
7	Marketing and sales promotion (Advt., publicity, etc.)			
8	Real Estate / Shares			
9	Savings			
10	Others (Specify)			

BLOCK – IV

SUBCONTRACTING

4.1 Do you provide any of the process of production in your enterprise to other enterprises?

- Yes No

4.2 If the answer is yes, indicate the main stages of production where the works are given to sub contractors? (Use Tick Marks)

Sl.	Stages of Production	No. of Subcontractors
-----	----------------------	-----------------------

No.		Within the Cluster	Outside the Cluster
1			
2			
3			
4			
5			

4.3 Do you provide any of the following to your sub contractors? (Use Tick Marks)

Sl. No.	Type of assistance	Frequently	Occasionally	Never
1	Financial Assistance			
2	Raw Materials			
3	Packing materials			
4	Training of workers			
5	Transport of Raw Materials / items produced by sub contractors			

4.4 Why do you sub contract your work / undertake sub contract works? (Use Tick Marks)

Sl. No.	Reasons to	Give sub contract	Undertake sub contract
1.	Irregular Demand		
2.	Savings of Investment in land, buildings, machineries, etc.		
3.	Increased efficiency of sub contractor		
4.	Low remuneration for works done by the sub contractor		
5.	To avoid legal obligation		
6.	To avoid labour problems		
7.	To avoid the risks attached to the business		
8.	Greater scope for specialization		

4.5 Have you ever worked as a sub contractor for any other enterprises? [] Yes [] No

4.6 If the answer is yes, specify the main stages of production where the works are taken up by

you

as a sub contractor?

Sl. No.	Stages of Production	No. of Customer Firms	
		Within the Cluster	Outside the Cluster
1			
2			
3			
4			
5			

4.7 Do you receive any of the following as a sub contractor? (Use Tick Marks)

Sl. No.	Type of assistance	Frequently	Occasionally	Never
1	Financial Assistance			
2	Raw Materials			
3	Packing materials			
4	Training of workers			
5	Transport of Raw Materials / items produced by sub contractors			
6	Lending of machinery			

4.8 Do you face any problems consequent upon sub contracting your work / Taking up other work?

- 1.
- 2.
- 3.
- 4.
- 5.

BLOCK – V

SUPPLIERS / CUSTOMERS

5.1 Specify the location of your suppliers / customers (Use Tick Marks)

		Local	Within the District	Outside the District	Outside the State
Suppliers of	Raw materials				
	Components				
	Machineries				
	Rubber Shellers / Rollers				
Customers of	Rice				
	Other finished products				

5.2 By whom the following service functions are performed? (Use Tick Marks)

Sl. No.	Category of Service Functions	Owners	Own workers	Experts in the local area	Experts out side the local area
1	Repair of machineries / equipments				
2	Accounting				
3	Costing determination of products				
4	Strategies / designs for Advertisement				
5	Marketing Strategies				
6	Product Innovation				
7	Product Diversification				
8	Marketing of bye products				
9	Research and Development				
10	Selection of employees				

5.3 DO YOU FEEL ANY NEED OF SPECIAL AGENCIES FOR THE ABOVE-MENTIONED SERVICES [] YES [] NO

5.4 IF THE ANSWER IS YES, MENTION THE TYPE OF SPECIAL AGENCIES THAT YOU WANT.

block – vi

Market

6.1 Whom do you to sell your products? (Use Tick Marks)

Sl. No.		Within the locality	Outside the locality
1.	Directly to the consumers		
2.	Directly to the retailers		
3.	Directly to the wholesalers		
4.	To an export agent		
5.	Through a consortium with other paddy processors		
6.	Others (Specify)		

6.2 How do you make sell your products? (Use Tick Marks)

Delivery of products within the reach of customers	
Customers come here to buy	
Both	

6.3 Outlets at which were the products can be brought? (Use Tick Marks)

Sl.No.		
1.	Within the district	
2.	Out side the district but inside the State	
3.	Out side the State	
4.	Out side the Country (Specify)	

block – vii

PROCESS INNOVATION

7.1 How do you rate the standards of your machinery used for the production process?

(Use Tick Marks)

	Advanced	Moderate	Average	Poor
Technology Used				

7.2 Have you made any Technical / Product Innovations in the firm? Yes No

7.3 If the answer is yes, mention from where do you get the ideas? (Use Tick Marks)

Sl. No.		Technical innovations	Product Innovations
1	In co-operation with the workers		
2	In cooperation with the vendors of machineries / equipments		
3	In cooperation with the local experts / technicians		
4	Imitation of other firms in the similar line of business within the cluster / locality		
5	Imitation of other firms in the similar line of business outside the cluster / locality		
6	Researchers / research institutions in the near by areas		
7	Trade magazines and periodicals		
8	Discussions with other entrepreneurs		
9	As per the specification of customers		
10	Observation of the market characteristics		
11	Discussions with technical consultants		

7.3 Have you made any drastic changes in the method of production on the organizational structure of the firm during the last 5 years?

Yes No

7.4 If yes, mention the type of change effected?

block – viii

INTER-FIRM COMPETITION

8.1 Mention the area where your main competitors are located and the category of competitors

of your products? (Use Tick Marks)

Sl. No.		Large Enterprises	Medium Enterprises	Small Enterprises
1	Within the local areas itself			
2	In other parts of the State			
3	In other parts of the country			

8.2 Which are your strengths as a member in the industrial cluster when compared to your rivals? (Use Tick Marks)

Sl. No.		
1	Price of the product	
2	Quality of the product	
3	Alluring design	
4	Product heterogeneity	
5	Different varieties of the same products to cater to the needs of different strata of the society	
6	Credit Schemes	
7	Quick and timely execution of orders	

8.3 Which are your weaknesses as a member in the industrial cluster when compared to your rivals? (Use Tick Marks)

Sl. No.		
1	High price of the product	
2	Poor quality of the product	
3	Lack of attractive designs	
4	Product heterogeneity	
5	Different varieties of the same products to cater to the needs of different strata of the society	
6	Quick and timely execution of orders	

block – ix

Inter-firm co-operation

9.1 IS THERE ANY PERSON WHO HAD WORKED AS AN EMPLOYEE IN YOUR FIRM AND NOW RUNS A FIRM INDEPENDENTLY IN YOUR FIELD OF BUSINESS? [] YES [] NO

9.2 If yes, mention the name / names of such employees with their areas of operation.

9.3 DO YOU MAINTAIN ANY BUSINESS RELATIONS WITH ANY OTHER PADDY PROCESSING UNITS IN YOUR LOCALITY? [] YES [] NO

9.4 IF YES, MENTION THE NAME OF SUCH PERSONS AND TYPE OF BUSINESS RELATIONS AND OTHER DETAILS.

9.11 If yes, mention the firm in which you have such investments.

9.12 If there any other firms which own any equity investments in your firms?

Yes No

9.13 If yes, mention the name of the firm

block – x

details of Associations

10.1 Are you a member of any business associations?

Yes No

10.2 If yes, specify

10.3 Does your firm belong to an association?

Yes No

10.4 If yes, specify the areas and extent of benefits you derived from the associations.

(Use Tick Marks)

Sl.No.	Area of Service	Extent of services		
		often	Occasionally	Never
1	Advices on legal matters			
2	Bargaining with trade unions			
3	Bargaining with the Govt.			
4	Pricing policies			
5	Marketing strategies			
6	Research and Development of Products / processes			
7	Strategies for procurement of raw materials			
8	Tackling of storage, transporting and marketing problems			
9	Utilization of bye products			
10	Advertising strategies			
11	Dissemination of information			

block – xi

Finished products

11.1 Which is the mode of transportation of finished of products

Own vehicle Hired vehicle Own and hired vehicles

11.2 Do you have any storage facility Yes No

11.3 If yes, mention whether it is Within the locality Out side the locality Both

11.4 Do you have any show rooms/ selling outlets for marketing your products? Yes No

11.5 If Yes, mention the number of selling outlets / show rooms

Within the district Outside the districts.

11.6 Average credit collection period received

upto 15 days upto 30 days upto 60 days more than 60 days

11.7 Average sales: (a) Creditqty (b) Cash.....qty (c) Total.....qty

11.8 Rank the categories on the basis of their intensity of sale

Sl. No.		Highly Fast Moving	Fast Moving	Slow Moving	Deadly Slow moving
1	10 Kg Bags				
2	25 Kg. Bags				
3	50 Kg. Bags				
4	100 Kg. Bags				
5	Others				

11.9 Mention the type of finished products having high demand in the market?

Sl. No.		Fast Moving	Slow Moving	Deadly Slow moving
1	Matta			
2	Vady			
3	Others			

11.10 What are your main advertising media? (Use Tick Marks)

Cable TV TV Radio Newspapers and periodicals

Slides Hoardings Others (Specify)

11.11 How much amount on an average you spent per annum for advertisement?

BLOCK - XII**Problems**

12.1 Which are the problems you faced as an entrepreneur in this locality?

(Rank the following problems on the basis of their severity)

Sl. No.	Problems	Rank
1	Cost of Advertisement, electricity & transportation	
2	Shortage of raw materials	
3	Undue delay in collection of debts	
4	Multitude of paddy processors	
5	Erratic fluctuation in the price of paddy	
6	Competition from similar units in other districts	
7	Shortage of working capital	
8	Problems associated with the storage of raw materials	
9	Labour problems	
10	Other problems	

Block - xiii**Opinions of Entrepreneurs on Clustering**

13.1 Do you think that you will get the same benefits as you now get if your unit is not located in this cluster? Yes No

13.2 What are the advantages you get as an entrepreneur of a firm being located in this area / cluster?

1

2

3

4

13.3 What are the disadvantages you faced as an entrepreneur of a firm being located in this area

/

cluster?

1

2

3

4

13.4 Do you think that over the next 10 years the number of

- a. Fully - Automated units will increase / will decrease / will neither increase nor decrease
- b. Semi - Automated units will increase / will decrease / will neither increase nor decrease
- c. Non - Automated units will increase / will decrease / will neither increase nor decrease

13.2 Which are your suggestions for the development of rice mill industry in this locality.

APPENDIX – III

POPULAR BRAND NAMES OF RICE PRODUCED BY THE RICE MILLS IN AND AROUND KALADY

Sl. No	Name of the Units	Brand Names of the Products
1	K.M.C. Rice Mill, Okkal	Shudhi Rice
2	Mary Matha, Modern Rice Mill, Kanjoor	Athidhi Rice
3	Njaliyan Modern Rice Mill, Kanjoor,	Pavithram Rice
4	Agro Tech, Okkal	Ponmani Rice
5	Rice Tech Agro Mills (P) Ltd., Mattoor, Kalady	Malabar Sortex Rice
6	Keerthi Agro Mills (P) Ltd., Mattoor, Kalady	Nirmal Rice
7	Kottackal Modern Rice Mill, Mattoor, Kalady	Mayil Rice
8	Edathanalil Modern Rice Mill, Mattoor, Kalady	Surabhi Rice
9	Christy Modern rice Mill, Mattoor, Kalady	Kerala Super Rice
10	St. Antony's Modern Rice Mill, Sreemoolanagaram, Kanjoor	Matha Rice
11	Thekkekkara Modern Rice Mill, Sreemoolanagaram, Kanjoor	Thriveni Rice
12	Matha Agro Mills, Okkal	Malayalam Rice
13	Puthan Modern Rice Mills, Okkal	Rohini Rice
14	Mundeth Modern Rice Mill, Edavoor, Koovappady	Mangalam Rice
15	Star Modern Rice Mill, Kanjoor	Preethy Rice
16	Lakshmi Agro Mills, , Edavoor, Koovappady	Nilavilakku Sortex Rice
17	K & T Agro Mills, Mattoor, Kalady	Nallary
18	KKR Mills, Okkal ,Kalady	Nirapara Rice
19	Siju Modern Rice Mill, Mattoor, Kalady	Mahima Rice
20	Parackal Agro Mills, Kanjoor	Popular Rice
21	Edappana Agro Mills, Okkal, Kalady	Kitchen Special Rice
22	Valookkaran, Mattoor, Kalady	Thriple Horse Rice
23	Pallathu Kudy Mills, Okkal, Kalady	Harisree Special Rice
24	Pallickal Agro Mills, Mattoor, Kalady	Avani Rice
25	Edathala Modern Rice Mill, Okkal	Deepam Rice
26	St. George Modern Rice Mill, Okkal, Kalady	Udayam Rice
27	Chirackal Agro Mills, Kalady	Periyar Rice

Source: Field Survey

