CHAPTER NINE

‘MICRO ENTREPRENEURIAL ACTIVITY TO A VISIBLE INDUSTRY’? - A CASE STUDY

The findings of the study has adequately established that the rural non-farm micro enterprise sector has become a major source of income and employment generation for the rural population. At the same time, it has been realized that the micro entrepreneurial activities have remained small in size, though very diverse in nature. In course of the study, a question that surfaced is whether with some intervention in technology and support measures in marketing and finance, some of these activities can grow into a full-fledged industry.

For pursuing this question a more detail study of one of the popular micro entrepreneurial activities in the district namely, manufacturing of local wine (tradition rice beer) was taken up.

Local wine, which is generally made from rice, using traditional labour intensive technique and is exclusively pursued in rural areas particularly in scheduled caste, schedule tribe and ex-tea garden workers populated areas by the women folk. It has been found from the field study that about 76.9 per cent of the entrepreneurs have undertaken this activity due to push factors. Yet this activity are flourishing in a large number, as because it requires small amount of investment and the entrepreneurs do not have to wait for the returns to come in, because of the local demand. In the study, it has been found that about 53.3 per cent of the entrepreneurs are female headed. The local wine manufacturing units have generated a total employment for 24,407 persons in the district in 2005-06, of which about 8,461 persons have full time employment. The gross value addition of local wine production units in the rural Sonitpur has been
estimated to be Rs 19.68 crores. The major constrained faced by local wine manufacturers is that they cannot explore and expand markets outside their local economy, due to lack of standardization of local wine. However, another problem is that apart from lack of standardization, the shelf life of this product is very short. Hence it is difficulty to store up the product even for a week. Thus at its present state, bottling, branding and marketing in distance area is feasible.

Hence, the activity requires technological intervention to over come these technical constraint so that, small manufacturers can be organized in clusters from which a modern industry can emerge. Already some research activities are going on for development of the product as reported by Professor G. U. Ahmed (Head, Department of Biotechnology Gauhati University). According to him, generally, the level of alcohol contained in local rice beer is very low, about 2 to 3 per cent only and low levels of alcohol content in rice beer facilitate formation of lactic acid, which ultimately reduces the shelf life of rice beer. In order to standardize the local wine for commercial purposes, new technology should have to be used to enhance the level of alcohol contained at a required standard level, so that the shelf life of local wine is extended and bottling of rice beer is possible. Moreover, in the days of changing food and drink habits of the consumer, the market demand of the rice beer largely depends on the quality of the rice beer. So, to enhance the quality of rice beer, various health benefits products like, ginger and other herbal products can be used while manufacturing rice beer, which will further enhance the value addition to the rice beer.
A CASE STUDY OF

LOCAL WINE MANUFACTURING UNIT OF SRI BHADUR BORO OF GHAGRA KACHARI GAON, DHEKIAJULI

There is a village called Ghagra Kachari gaon situated 3 km away from Dhekiajuli town. The village is mostly inhabited by scheduled tribe, and are primarily engaged in agricultural activities along with other subsidiary non-farm activities for their livelihood. From the Ghagra Kachari gaon a local wine manufacturing entrepreneur has been randomly selected. The selected local wine manufacturing unit is owned by Sri Bhadur Boro, age 46 years. His family consists of five members, of which two are males and three are females. Though Mr. Boro had, a small piece of agricultural land, but it is not sufficient to sustain his family. In order to fulfill his family requirements he has taken up entrepreneurial career as local wine producer to produce and sell local wine commercially in 2000. To him, his self-sphere system relates to knowledge and skill of local wine production along with the external environment has motivated him to take the profession for economic gain.

Local wine, which is known as ‘rice beer’ is made up of rice using traditional biotechnology. To produce rice beer, yeast cells are used to fermentate the rice and thus rice beer is manufactured through the process of fermentation. Yeasts are grown traditionally on rice powder cake locally known as ‘Bakhor’ in scientific term it is known as ‘Starter culture for yeast’.

In the year 2000, Mr. Boro has invested a sum of Rs 23,000 as fixed capital for starting the activity, of which Rs 15,000 has been invested for construction of one room, for furniture he has invested Rs 5,000 and for utensils he has invested Rs 3,000. Regarding working capital investment, presently he is investing Rs 16,000 per month for purchasing raw materials and other requirements.
To produce local wine, he used various inputs like, rice, bokhor (yeast cell), jackfruit leaves, pineapple leaves and other herbal products. In his establishment, he has engaged two members of his family (wife and daughter) as part time employment.

The activity is perennial in nature, in average he manufacture about 2,100 bottles of local wine monthly and he sell them out at the rate of Rs 10 per bottle. To produce the same, he spends Rs 16,000 per month as working capital. The gross income accrued per month by Mr. Boro is Rs 5,000 per month and profit (before depreciation) earned by Boro is Rs. 2,450 per month from his rice bear manufacturing unit.

Future Vision : Sri Boro, like to remain in the same line of business in which he has a great familiarity. According to him, the main constraint is that the local wine cannot be stored for long period due to formation of lactic acid; as such, he produces limited quantity of local wine per day to avoid loss. Despite the difficulties, he is hopeful about future prospect of local wine.

Concluding Comments : The micro entrepreneurs faces several constraints like financial constraint, infrastructural constraints, marketing constraints etc, which have already been discussed in details in chapter seven. Easing of such constraints will no doubt facilitate of further growth of rural non-farm micro enterprise sector. However, as the case study of local wine manufacturing unit reveal, to capacitate prospective micro entrepreneurial activities to graduate to the status of better organized and modernized industries, capable of exploiting wider markets, technological intervention will also be necessary. So finding the right kind of technological intervention in turn requires research and development activities, and linking up research and development activities in universities and research institutions to the requirements of micro enterprise sector.