



## 5.10 Off Farm Producer Organisation (OFPO)



# Threads of Unity: Empowering Weavers Through Collaboration and Collective Growth

**Name of the Project:** Amarchintha Silk Handloom Weavers Producer Company Limited, Major OFPO.

**Implementing Entity:** Rural Development Society, PIA.

**Location of the Project:** Wanaparthi District, Telangana.

### NABARD's Support:

Particulars	Major OFPOs	Rural Marts	Follow-on Support
Total Financial Outlay	₹10.8 million	₹0.75 million	₹7.75 million
NABARD's Support	₹2.25 million	₹0.63 million	₹5 million

## Strategies

- ✘ Recognising the urgent need to revitalise the weaving industry, mobilise more artisans, and train the younger generation, a major OFPO project was sanctioned in 2019. This project aimed to introduce new tools, designs, and direct market access. Having successfully met the project's goals over the three-year period, the OFPO has now been sanctioned Follow-on Support of ₹5 million under the Major OFPO category. This funding will enhance their production unit and expand their garmenting operations. Most of the follow-on support is allocated to acquiring machinery and equipment for the Common Facility Centre (CFC), with additional funds dedicated to training, capacity building, marketing, and covering the OFPO's operational expenses.
- ✘ Recognising the crucial role of marketing in product sales, the OFPO was granted ₹0.63 million, to establish a Physical Rural Mart, which has been operational since September 2023. This mart provides local artisans with a stable venue to showcase and sell their products. Additionally, the OFPO is receiving support to participate in several National Exhibitions organised by NABARD, offering a valuable platform to promote their sarees on a larger scale.

## Challenges Addressed

### Forced into Daily Wage Labour:

Weaving of Gadwal Handloom Sarees is labour-intensive, time-consuming, has limited market access with heavy reliance on master weavers, leading to many weavers from Amarchintha village abandoning their craft due to insufficient earnings and migrate to other regions for daily wage work. This shift led to a dramatic decline in the weaving community, reducing the number of active weavers in the village from 500 to just 150.

## Impact

- Financial Success:** The project has achieved remarkable financial success, with the OFPO generating over ₹13.8 million in sales during the fiscal year 2023-24.
- Support from MSME:** NABARD's involvement has drawn the attention of the MSME sector, leading to support under the SFRUTI scheme with a grant of ₹15 million for the establishment of CFC, garment unit and training hall.

- iii. **Credit Linkage:** The formation of the OFPO enabled the acquisition of ₹10 million in credit linkage and working capital from TSCAB, boosting the General Loan Credit (GLC) to the MSME sector.
- iv. **Awards and Recognition:** In 2023, 02 OFPO weavers were honoured with Telangana state awards in the best weaver category, acknowledging their exceptional craftsmanship.
- v. **Increased Income:** Weavers now earn approximately ₹30,000 per month, along with an annual bonus, ensuring a steady and reliable income throughout the year.
- vi. **Beneficiary Impact:** Out of 538 mobilised beneficiaries, 260 are women who earn an additional ₹10,000 per month through the garment unit, enhancing their financial stability.
- vii. **Active Participation:** Around 185 members (34%) are actively engaged in OFPO activities such as weaving, selling, training, and marketing, while the rest weave sarees independently and market them through the OFPO.
- viii. **Reverse Migration:** Increase in the number of active weavers in the village from 150 to 350. The introduction of support programmes and revitalisation efforts has encouraged many weavers to return to their traditional craft.
- ix. **Establishment of Tailoring Unit in CFC:** The establishment of tailoring unit in the CFC has been able to cater to the weavers in the surrounding areas too. This resurgence has not only revitalised the weaving community but has also provided sustainable livelihoods, reducing the need for migration in search of daily wage work.
- x. **Income Growth:** The average monthly income of weavers has risen from ₹5,000 to ₹6,000 for basic designer sarees, and from ₹10,000 to ₹12,000 for high-end designer sarees.



- xi. **Dividends:** Weavers receive annual dividends of approximately ₹3,000 to ₹4,000, as decided in their general body meetings, supplementing their income.
- xii. **Rural Mart Performance:** Achievement of average sales of ₹4.5 million during peak seasons such as festivals and weddings.
- xiii. **Wholesale Orders:** Wholesalers from Suttar, Maharashtra, have placed orders for plain sarees, with 200 sarees sold to date. The OFPO has also formed a partnership with a boutique in Mahbubnagar.
- xiv. **Cluster Convergence:** Efforts are underway to explore convergence with weaving clusters in MP (Maheshwari), Maharashtra (Paithani), and Andhra Pradesh (Dharmavaram).
- xv. **Social Security:** Members are being provided with insurance coverage of ₹1 million each, ensuring social security and protection.

