

Business Model of Supplying Incense Sticks: Run by Odisha Livelihood Mission and ITC

Introduction:

The Odisha Livelihoods Mission (OLM), State Rural Livelihood Mission (SRLM) of Odisha State has been supporting “raw incense stick production” (agarbattis) as a business proposition for livelihood support to women members of SHGs.

Background:

The business activity is currently being promoted by OLM involves production of agarbattis by “hand rolling” as well as by use of “pedal machines”.

Details of the Intervention:

Based on an MoU with ITC, ORMAS and OLM are promoting an exclusive supply chain for ITC by encouraging and integrating the women producer groups to take up production of both hand rolled raw incense sticks and “pedal machine made raw incense stick” for supply to ITC.

Impact:

It is quite evident that efforts of ORMAS/OLM have led to increase in employment opportunity for rural poor women. In hand rolled mode of production, women are able to use their leisure time, and get additional employment, while in the case of pedal machine, it is gainful employment. Implementation of this business model has resulted in an increase in income for women SHG members. There has also been an increase in incense stick making units across the state. The large scale intervention by ITC has motivated other companies to develop their supply chains in the State. The success of this business model is primarily attributed to facilitating market linkage of producer groups to ITC and identification of right profile of beneficiaries.

Source: Business Model Compendium by DoRD & NIRDPR.