Value Chain Analysis

From the time of harvesting till it reached the last consumers the leaves have to pass through a series of chain that add value to its. At these chains there are peoples with a different function, and each one played a role that is important to the successful commercialization of the leaf, and each has difference incentive and ability to influence the value chain. Value chain analysis is important to indentify the people involved, understand their roles, analyse the incentive for their involvement in the chain and also their power to work within and influence that chain.

Value chain analysis also provide researcher with tools to ask important questions about the distribution of power and value across the chain and is therefore eminently capable of addressing the urgency of workers and small producers. The analysis can identify the scope for improving incorporation into the market, increasing return and reducing risk.

Analysis of the first level of the value chain is focussed on the production and collection of bay leaves; from the analysis it has revealed the following facts, on the average each sample households had a plot of land of one hectare area, with about 400 to 420 numbers of bay leaf plants yielding about 4950kg to 5000kg of dry weight leaves or of about 110 to 120 bags each weighting around 40 to 45kg. On the average the production cost of each bag of bay leaf (from the time of plantation, harvesting and to the time it reached the market) is about Rs 400 to 500, and the average selling price is about Rs 800 to Rs 900. Thus on an average a farmer earned a profit of about Rs400 to 500 from a bag of bay leaf.

At the second level of the value chain, the analysis is focus on the local and road head traders, who are based at the villages and at the local market level. These traders bought the bay leaf directly from the producers at a rate fixed by them. There are two points/places where the local traders and the road head bought the bay leaf, one at the village itself and at the local market. The price at the village level is always less by Rs 2 to Rs 3 for a kg when compared with the price at the local market (Lawbah). For a local trader he earned a profit of about Rs2-3/ kg when he re sold it to a road head trader at Lawbah.

It has been found out for most producers if they have more than three bags of bay leaf to sell on that particular day would preferred to sell at Lawbah market as he would gain another Rs1-2 from a kg of bay leaf. For a road head traders he earned a profit of about Rs3-4/kg when he sell the bay leaf to the wholesale traders based at the regulated market at Mawiong, Shillong.

At the third level of the value chain, the analysis is focussed on the whole sellers who are based at the Mawiong regulated market Shillong. They are the main traders who control the marketing

and pricing and then exported to difference part of the country. They bought the bay leaf at the rate of Rs27-28/kg, and then sold back to different trading agencies at the rate of Rs33-34/kg, thus earning a profit of Rs3-4/kg.

At the fourth levels of value chain the analysis is focussed on the retailers who are based at Iewduh Shillong. The retailers bought the bay leaf from the whole seller and from the farmers who by themselves supplied to their shop at the rate of Rs5/packed, which then sold back to the consumers at the rate of Rs10, earning a profit of Rs3-4.

At the fifth levels of the value chain the analysis is focussed on the consumers who buy the bay leaf from the retailers at Iewduh Shillong at the rate of Rs100/kg or Rs10/ packed from the retailers.

Economic impact of Bay Leaf

From one hectare of farm land the average numbers of bay leaf trees are around 400 to 420, producing of about 4500 to 5000 kg of dry weight leaves or about 110 to 120 bags with an average weight of 40 kg/bag. When it is selling at a rate of Rs 20-25/kg the annual gross production will be around Rs 120000/.Out of this around Rs 17000/ was spend at the time of planting and management. The other expenditure which a grower incurred during the time of harvesting, drying, sorting, packing, transportation and other miscellaneous requirement is Rs 33150/. Therefore a farmer will annually earn about Rs 55,000 to 70,000/ with an average profit of 50 to 60%. (Table-1V). Based on the household survey, the average annual income of those households are Rs 100,000/ to 1, 20,000/ this is about 50% of the total annual income of the farmers, is from bay leaf.

The local traders and the road head traders sell the bay leaf at about Rs 27-28/kg to the whole sellers at Mawiong, where he spent Rs 2/kg on transportation and paying taxes to various agencies. Therefore earning a profit of around Rs 2 to 4/kg, this will be around Rs 10,000 to 12,000.

The Whole sellers based at Mawiong regulated market sold at a rate ranging from Rs 33-34/kg to the trading agency from outside the state, out of this he spent Rs 3 to 4 to pay the expenditure incurred by him at the regulated market, for sorting the leaves from the twig and to the labour who load and unload in and out from the trucks. Therefore a whole seller at Mawiong earned a profit of about Rs 18000-20000.

The retailers based at Iewduh Shillong buy at the rate of Rs 45/kg from the whole sellers in Mawiong, and from the producer who bring directly to the retailers. And he sell it at about Rs 60/kg earned a profit of about Rs 15/kg.

Economic returns from selling of bay leaf

About 10450 MT of bay leaves reached the regulated market at Mawiong in the year 2011-12 from different part of the State and the East Khasi Hills District (Annex table V11). When it is sold at a price of Rs 20/kg, the total money will be approximately Rs 25 crores, since the growers by themselves do most of the activities, therefore a major part of the money is goes to the growers themselves. Apart from this the Syiem and the District Council get a royalty of Rs 130000/ and Rs 892000/ respectively. The average revenue collected by the state Government was Rs 3 crores respectively (Annex tableV11). Thus production and collection of bay leaf has helped in improving the economy of all section of peoples in the State.

Environmental Impact of Bay Leaf

The environmental effect of C-Tamala tree depends on several factors, like harvesting method, parts that are harvested and the regeneration rate of the plant. C-Tamala (bay leaf) plants grow in the wild, as well as it is domesticated in the farm land. Agro- Forestry programme which include cultivation of C Tamala species will helped in achieving environmental objectives such as conservation of water sheds, biological diversity, genetic resources, it restore ecological balance of an ecosystems and above all protection and sustainable environmental development. In order to solve deforestation issues the only possible "Magic Bullet" is cultivation of NTFPs .