

Economic Analysis of Cocoon Craft Production in India: State-Wise Insights

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Introduction

Cocoon crafts have emerged as a significant offshoot of India's sericulture industry, transforming surplus silk cocoons into high-value artisanal products. This industry plays a vital role in enhancing rural livelihoods, particularly in states like Karnataka, Tamil Nadu, and Assam, where sericulture activities are predominant (Das & Sharma, 2021). By creating eco-friendly jewellery, home décor items, and decorative crafts, the sector not only preserves traditional craftsmanship but also aligns with the growing global demand for sustainable products (United Nations Development Programme [UNDP], 2023).

India, being the second-largest silk producer globally, has a natural advantage in leveraging cocoon craft production as a profitable enterprise. States like Karnataka, which contribute 30% of cocoon crafts, enjoy robust infrastructure, supply chain efficiencies, and government





support, driving profitability as high as 70% in some regions (Kumar & Singh, 2020). Similarly, Assam's unique focus on Muga and Eri silk crafts allows it to cater to niche domestic and export markets (Saha & Dutta, 2022).

Despite its economic potential, the cocoon craft industry faces challenges such as limited market access, irregular cocoon supply, and competition from machine-made goods (Government of India, 2022). Addressing these barriers through skill development programs, e-commerce platforms, and export incentives can further enhance the profitability of this sector. This article explores the economic dimensions of cocoon crafts, including state-wise production contributions, profit margins, and the industry's impact on India's rural economy. By analyzing the data, it is evident that cocoon crafts represent a promising avenue for sustainable development, offering significant economic opportunities for artisans and small-scale entrepreneurs (Das & Sharma, 2021). The discussion also highlights potential strategies for scaling the industry while maintaining its eco-friendly ethos and cultural heritage.

Economic Contribution of Cocoon Crafts

Cocoon crafts contribute to the rural economy by:

- Adding value to sericulture by utilizing cocoons beyond silk extraction.
- Generating sustainable employment, especially for women and tribal communities.
- Driving exports through the production of eco-friendly and handmade items.

State-Wise Economic Overview

State	Production Contribution (%)	Average Production Cost (₹ per 100 crafts)	Average Selling Price (₹ per 100 crafts)	Profit Margin (%)
Karnataka	30	₹5,000	₹8,500	70%
Andhra Pradesh	20	₹4,800	₹8,000	67%
Tamil Nadu	15	₹4,500	₹7,500	66%
Assam	10	₹4,200	₹7,000	66%

West Bengal	8	₹4,000	₹6,500	62%
Jharkhand	5	₹3,800	₹6,000	58%
Chhattisgarh	4	₹3,600	₹5,800	61%
Odisha	4	₹3,500	₹5,500	57%
Jammu & Kashmir	4	₹3,400	₹5,000	47%

Profitability Analysis

A. Cost Structure

- **Raw Materials:** Silk cocoons (₹50–₹100 per 100 units), dyes, and decorative elements.
- **Labor Costs:** Account for 40–60% of the production cost, depending on the state.
- **Marketing and Distribution:** Packaging and transportation costs are higher for artisans catering to urban or export markets.

B. Revenue and Profit

- States like Karnataka and Andhra Pradesh achieve higher profitability due to economies of scale, superior craftsmanship, and access to urban and export markets.
- Profit margins range between 47–70%, with Karnataka leading due to its large-scale sericulture base and advanced infrastructure.

Regional Economic Impact

Karnataka:

- Largest silk producer in India, contributing 30% of cocoon crafts.
- High profit margins due to efficient supply chains and strong government support (e.g., subsidies under the Silk Samagra Scheme).
- **Key Regions:** Ramanagara, known as the "Silk City," and Mysore are the hubs for cocoon craft activities.

Andhra Pradesh and Telangana:

- These southern states are significant producers of tasar and mulberry silk cocoons.
- **Key Regions:** Chittoor and Anantapur in Andhra Pradesh, and Warangal and Khammam in Telangana, are known for sericulture and cocoon-based crafts.

Assam:

- Known for Muga and Eri silk, Assam's artisans focus on eco-friendly crafts, fetching premium prices in niche markets.
- Exports contribute significantly to the state's revenue.
- **Key Regions:** Sualkuchi, known as the "Silk Village of Assam," is a hub for cocoon crafts.

Tamil Nadu:

- Focuses on intricate jewelry and decorative crafts, with strong domestic and international demand.
- Advanced training programs have enhanced artisans' skills and profitability.
- **Key Regions:** Dharmapuri and Salem districts are renowned for cocoon craftwork and silk production.

West Bengal:

- A hub for Tasar silk crafts, artisans specialize in unique designs for home décor and wedding decorations.
- Smaller-scale operations limit overall profitability but provide consistent income.
- **Key Regions:** Malda and Murshidabad are prominent sericulture centres.

Odisha:

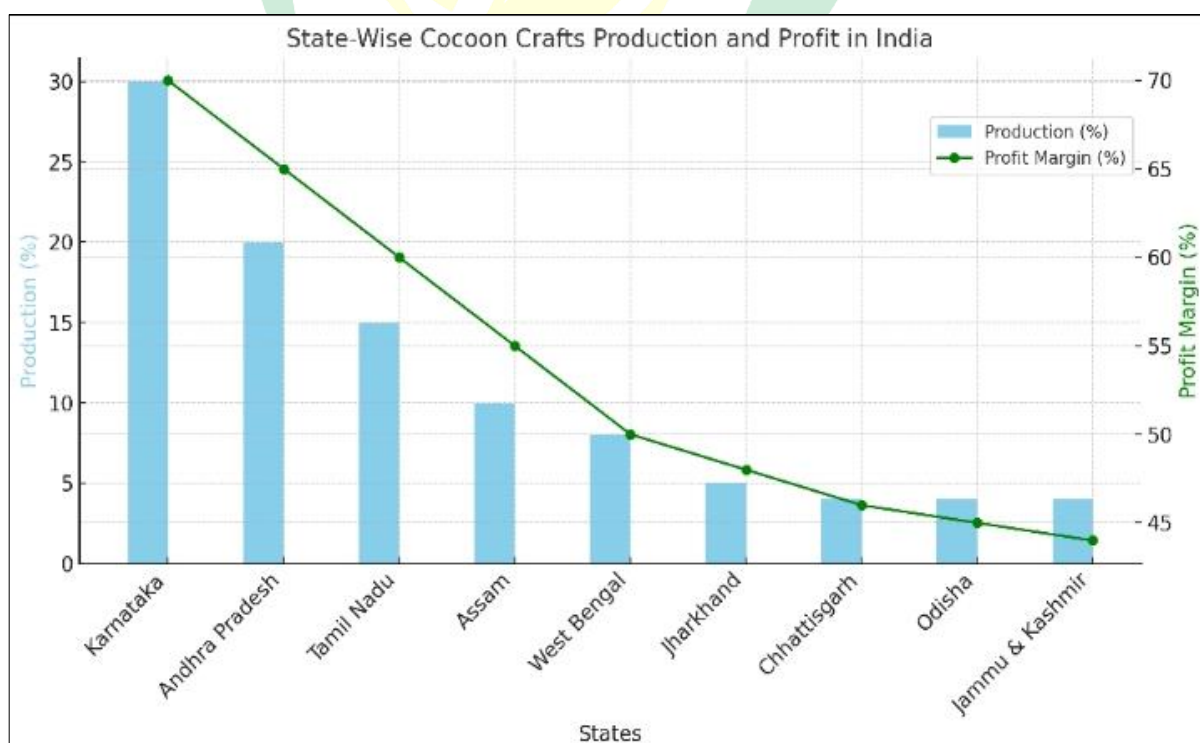
- Odisha, with its strong tribal culture, integrates cocoon crafts into its artistic traditions.
- **Key Regions:** Koraput and Baripada are centres for cocoon-based crafts.

Jammu & Kashmir:

- While Jammu & Kashmir is known for Pashmina and fine silk, cocoon crafts are gaining popularity.
- **Key Regions:** Anantnag and Pulwama are important silk-producing areas.

Challenges in Profitability

Challenges	Impact on Economy
Market Access Issues:	Limited reach to urban and international markets reduces potential revenue.
Supply Chain Inefficiencies:	Irregular availability of quality cocoons affects production consistency.
Competition from Machine-Made Items:	Handcrafted cocoon crafts face pricing challenges against cheaper, mass-produced goods.



Export Barriers:	Lack of knowledge about export procedures limits the global reach of artisans.
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Strategies to Enhance Economic Viability

1. Government Support:

- Strengthen subsidies for raw materials and provide low-interest loans to artisans.
- Promote cocoon crafts through initiatives like fairs, exhibitions, and export incentives.

2. Training and Skill Development:

- Organize workshops to improve the quality and diversity of products.

3. Market Linkages:

- Facilitate partnerships with e-commerce platforms and retailers to reach wider markets. E-commerce websites like Amazon, Flipkart, and Etsy have become major sales channels

4. Export Promotion:

- Simplify export procedures and provide training on international standards to artisans.

7. Future Potential of Cocoon Crafts

Key Area	Economic Opportunity
Eco-Friendly Crafts:	Rising demand for sustainable products can boost both domestic and export markets.
Tourism-Driven Sales:	Cocoon crafts are popular as souvenirs, especially in tourist regions like Karnataka.
E-Commerce Platforms:	Online sales provide a cost-effective way for artisans to reach global consumers.

Conclusion



The cocoon craft industry in India is not only a testament to the country's sericulture heritage but also an economically promising sector. By addressing supply chain inefficiencies, improving market access, and promoting eco-friendly crafts, the industry can achieve even greater profitability. This economic potential positions cocoon crafts as a sustainable livelihood model, contributing to the rural economy while preserving India's traditional craftsmanship.

