

**BTSG R&D Project on**

**ROLE OF BAMBOO IN SUSTAINABLE RURAL LIVELIHOOD IN SOUTH INDIA**

(Project sponsored by the National Bamboo Mission, Government of India)

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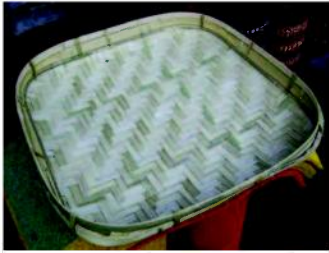

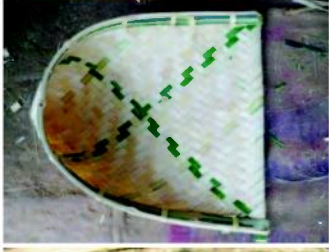



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### 3.4.4. Traditional products and substitutes

#### Substitution Impact

The introduction of substitutes, such as, plastics and synthetic fibres have pulled down the market demand for bamboo products tremendously in south India (Plate 3). Fishermen, farmers, households and other end users have moved on to the substitutes as they are more sturdy and durable. For instance, the intervention of the plastic box has widely swept out bamboo baskets from fishing harbours and cashew processing industries in Kerala; aluminum made rice basket for catering service and paper boxes in packaging of fruits (eg. mango) and other exports are other examples in Kerala, Karnataka, Andhra Pradesh and Tamil Nadu. And finally plastic substituted domestic items too, thereby capturing the market to a large extent.

**Plate 3. Comparison of traditional bamboo products and its substitutes available in South India**

No	Name & Place	Item	Market Price	Substitute	Market Price
1	Mat (Kerala)		120.00		175.00
2	Sift (Kerala)		40.00		80.00
3	Winnow (Kerala, Tamil Nadu)		60.00		40.00
4	Mango basket (Kerala, Tamil Nadu, Andhra, Karnataka)		15.00		25.00

5	Tomato basket (Karnataka, Tamil Nadu)		60.00		275.00
6	Fish basket (Kerala, Tamil Nadu, Karnataka, Andhra)		80.00		140.00
7	Sales basket (Kerala)		40.00		220.00
8	Rice basket (Kerala)		120.00		700.00
9	Basket		60.00		120.00
10	Hand fan (Karnataka, Andhra Pradesh)		10.00		10.00
11	Filter (Andhra Pradesh)		30.00		40.00

- 12 Rice filter  
(Tamil Nadu,  
Andhra Pradesh)



5.00



120.00

- 13 Tray  
(Tamil Nadu,  
Karnataka)



20.00



40.00

### Market imperfections and consumer surplus

As has already been explained earlier the products made by the MBDs are yet to reach the larger markets and attract national as well global attention. The market features of these products highlight: (a) seasonal demand, (b) availability of large number of substitutes, (c) small number of buyers & large number of producers, (d) competitive market with buyers dominance, (e) direct marketing with no advertisement, (f) high market price volatility among the sellers and markets, (g) poor bargaining power, (h) lower price elasticity of demand, and (i) high transaction cost.

Although bamboo is a natural, strong fibre, having aesthetic looks and the products are environment-friendly the production rate is low and the cost of manufacturing is high. The prevalence and competition with these substitutes poses a grave threat to the age old livelihood source of the MBDs. The utility of bamboo and plastic product for the similar purposes is the same but there exists price difference (Table 3.4.4.1). Market price and durability of a single unit of plastic product is higher than that of a single unit of bamboo product. However, the relative price reveals that the total economic cost over bamboo product is higher than that of plastic product for the same utility. The price elasticity of bamboo basket is equal to that of plastic basket (Table 3.4.4.2) and the price elasticity of bamboo sift is higher than that of plastic sift. People prefer plastic to bamboo products because the consumer surplus of plastic product is higher than that of bamboo.

Product	Bamboo		Plastic		Relative price
	Price (in Rs.)	Duration (in years)	Price (in Rs.)	Duration (in years)	
sift	35	1	65	2	70
Basket	35	0.5	40	2	140
Primary data estimates					