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### Case study of *Kattha* industry owner in South Konkan

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#### Abstract

The *Kattha* industry, based on *Acacia catechu*, represents a traditional yet commercially significant Agro-forest enterprise in Maharashtra. The present study was conducted in the South Konkan region, focusing on four representative *Kattha* industries located in Ratnagiri and Sindhudurg districts. The primary objectives were to identify the key problems faced by industry owners, understand their prospects, and document their suggestions for sustainability. Data were collected through semi-structured interviews, direct observation, and focused group discussions with owners and workers, and analyzed using frequency and percentage methods.

Findings revealed that Labour shortage, fluctuating raw material prices, and regulatory complications emerged as major constraints. A total of 100 per cent of respondents reported challenges of licensing confusion during the transition from the Forest Department to the Agricultural Produce Market Committee (APMC), along with fluctuating prices and risk of fungal damage to raw wood. Financial hurdles, particularly high initial investment for modernization, were reported by 50 per cent of respondents. On the other hand, owners expressed optimism regarding Agro-climatic suitability for *Khair* plantation, rising market demand, and new business-friendly licensing under APMC. Suggested measures included *khair* plantation promotion (50 per cent), improved packaging (100 per cent), by-product management (75 per cent), and establishment of drying and storage facilities (50 per cent).

The study concludes that with appropriate policy support, technology adoption, and cooperative frameworks, *Kattha* industries in South Konkan can evolve into sustainable and profitable rural enterprises.

**Keywords:** *Kattha* industry, *Acacia catechu*, South Konkan, Ratnagiri, Sindhudurg, raw material, Labour shortage, regulatory issues, APMC licensing, *Khair* plantation, drying facilities, packaging, by-product management, sustainability, rural enterprise, market demand, technology adoption

#### Introduction

*Kattha*, derived from the heartwood of *Acacia catechu*, is an important agro-industrial product valued for its medicinal, cultural, and commercial uses. Maharashtra's South Konkan region, comprising Ratnagiri and Sindhudurg districts, has emerged as a key hub of *Kattha* industries due to favorable Agro-climatic conditions for *Khair* cultivation. Despite its significance, the industry faces multiple operational and market-related challenges, while simultaneously holding immense potential for rural entrepreneurship and sustainable development.

Earlier research has emphasized *Kattha*'s medicinal importance, but very few systematic studies have examined the entrepreneurial, operational, and policy dimensions of this sector. Against this backdrop, the present study was undertaken with the following objectives:

1. To study personal, situational, socioeconomic characteristics of the *Kattha* producer industry owner
2. To understand present status and background of the *Kattha* Producer industry
3. To understand problems and prospects of the *Kattha* producer industry
4. To obtain suggestions for sustaining the *Kattha* producer industry

#### Specific objectives of the study

To understand problems and prospects of the *Kattha* producer industry

#### Methodology

The study was carried out in Ratnagiri and Sindhudurg districts of South Konkan, Maharashtra. Four *Kattha* industries were purposively selected: two from Ratnagiri

and two from Sindhudurg. Primary data were collected using semi-structured interviews with owners, supplemented by direct observation and focused group discussions. Secondary information was obtained from government reports and industry records. Data were analyzed using descriptive statistics (frequency and percentage).

## Results and Discussion

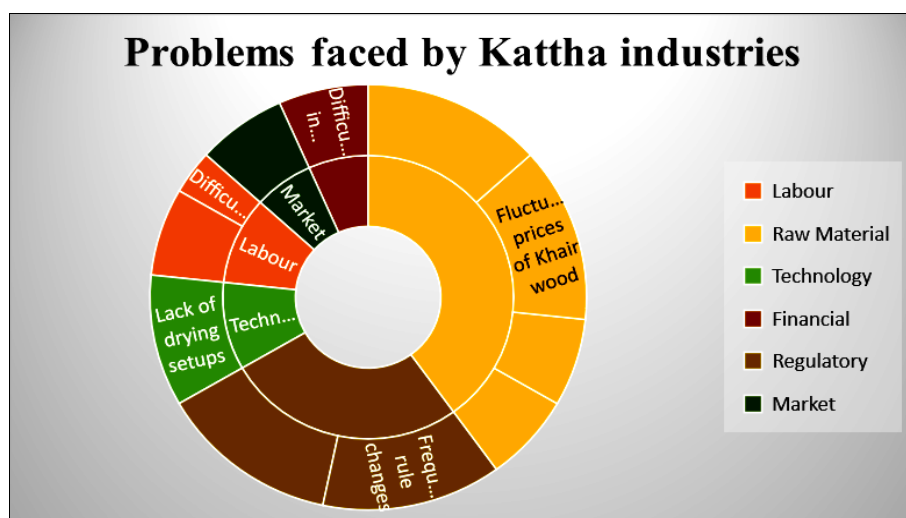
### 1. Problems faced by Kattha industries

- Labour-related issues: 50per cent of owners reported shortage of skilled labour during peak periods; 25per cent highlighted difficulty in hiring for seasonal work.
- Raw material problems: All (100per cent) faced fluctuating prices and fungal damage during monsoon; 50per cent reported irregular supply and spoilage due to storage.
- Technology gaps: 75per cent lacked proper drying setups, hampering quality.
- Financial constraints: 50per cent indicated difficulty in mobilizing capital for modernization.
- Regulatory issues: 100per cent reported licensing confusion during the Forest to APMC transition; frequent rule changes caused delays.
- Market challenges: 50per cent noted unpredictable demand leading to overproduction or shortages.

These findings highlight that the industry is highly vulnerable to external factors (climate, policy, markets), requiring systemic support.

The study revealed that Kattha industries in the region face several critical challenges that hinder their growth and operational efficiency. Labour-related issues were a major concern, as half of the industry owners reported a shortage of skilled workers during peak production periods, while a quarter of them struggled to find workers for short-term seasonal tasks. Raw material constraints were even more severe, with all respondents experiencing price fluctuations and fungal damage during the monsoon, and half facing irregular supply and spoilage due to inadequate storage facilities. Technological gaps also contributed to lower product quality, as three-fourths of the industries lacked proper drying setups.

Financial limitations further compounded the problem, with half of the owner's expressing difficulty in securing funds required for modernization. Regulatory challenges were prominent, as every respondent pointed out confusion arising from the shift in licensing from the Forest Department to APMC, along with delays caused by frequent changes in compliance rules. Additionally, half of the industry owners noted that unpredictable market demand often resulted in either surplus production or supply shortages. Collectively, these findings highlight the vulnerability of the industry to external factors such as climatic conditions, policy transitions, and market fluctuations, emphasizing the urgent need for comprehensive and systematic support to sustain and enhance the sector's productivity.



### 2. Prospects of Kattha industry

- Adoption of modern machinery improved efficiency and recovery (7.5–8.3per cent).
- Favorable Agro-climatic conditions for Khair plantation ensure sustainable raw material availability.
- Policy shifts to APMC licensing has reduced complexity and created new market linkages.
- Rising demand from Ayurvedic, herbal, and even pan-masala sectors has increased opportunities, as reported by 50 per cent of respondents.
- Rural entrepreneurship potential provides scope for job creation and reduced migration.

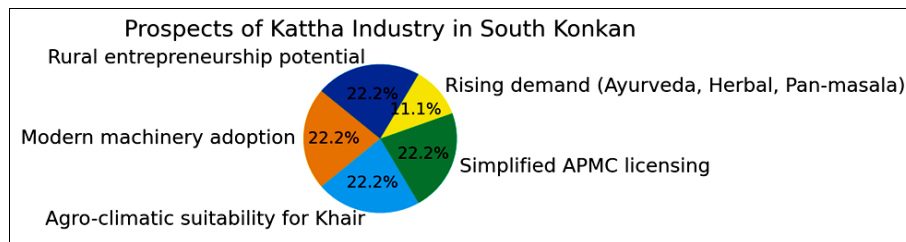
The study reveals that the Kattha industry is gradually

benefiting from the adoption of modern machinery, which has helped improve operational efficiency and recovery rates ranging from 7.5 to 8.3 per cent. The Agro-climatic conditions in the South Konkan region are highly favorable for Khair plantation, ensuring a steady and sustainable supply of raw material that supports long-term production. Furthermore, the shift from Forest Department licensing to APMC regulations has simplified compliance procedures, making it easier for industry owners to access new markets and expand their business.

Rising demand from sectors like Ayurveda, herbal products, and even pan-masala has opened new avenues for growth, with half of the respondents identifying it as a key opportunity. Additionally, the industry holds promise for

rural entrepreneurship, offering job opportunities and helping curb migration by providing local employment in

Agro-based industries.



## Conclusion

The study highlights that the Kattha industry in South Konkan, though traditional in nature, is currently undergoing a phase of transition and modernization. Industry owners face persistent challenges such as labour shortages, fluctuating raw material supply and prices, inadequate drying facilities, and regulatory complications, particularly during the shift from Forest Department to APMC licensing. Despite these constraints, the sector demonstrates significant resilience and potential. The favorable agro-climatic conditions for Khair plantation, increasing demand from Ayurvedic, herbal, and even pan-masala sectors, and the adoption of modern machinery are creating promising opportunities for growth. Furthermore, the industry shows strong potential to support rural entrepreneurship, generate employment, and contribute to sustainable rural development. With targeted policy support, improved infrastructure, financial assistance, and efficient by-product management, Kattha industries in the region can evolve into more competitive, sustainable, and profitable enterprises.

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