



Gram Mooligai Company Ltd (Village Herbs)

A public limited company owned by self help groups of medicinal plants gatherers and small cultivators



The proud shareholders of Gram Mooligai Co. Ltd.

Background

Medicinal plants form an integral part in India's rich Medical Heritage (IMH). Over 8000 species of medicinal plants, herbs, shrubs, trees, climbers, orchids, grasses, tubers and even lichens are reported to be used for medicinal purposes by millions of households across the country. Although rural households have traditionally used the plants, they are rapidly gaining profound usage in the urban domestic as well as by the industry. Rampant exploitation of these plants is now raising conservation concern. It was primarily because of this concern fuelled by an equal concern towards the waning of this rich tradition that the Foundation for Revitalization of Local health Traditions (FRLHT) came into being, in 1991 in Southern India.

FRLHT ever since has forayed into research on the various aspects of Indian Medical Heritage as well as formulated and implemented a conservation strategy for these medicinal plants both through in-situ and ex-situ means. To achieve this feat in the three southern states of India viz. Kerala, Karnataka and Tamilnadu FRLHT has networked through a host of Forest Departments, Research Institutes and Non Governmental Organizations with participation from rural communities. The network was christened Medicinal Plant Conservation Network (MPCN), in 1997, all working in tandem towards fulfilling its mission.

One of the major learning of these efforts is that any sustained conservation effort will meet only limited success, unless the commercial demands of the industry and the consumption needs of the people are met in a systematic manner. Research reveals that more than 75% of the medicinal plants in trade are sourced from wild habitats. Apart from the spate of the disappearing plants, the plight of the primary collectors of these medicinal plants from the wild is getting worse. Of the various players in the consumption chain of medicinal plants, this section is attaining great levels of exploitation. Incidentally, this very community can provide a sustained impetus to any conservation effort, provided their interests are suitably incorporated into the scheme of things.

Gram Mooligai Company-The Genesis

Gram Mooligai was conceived as a public limited company with its shares held by self help groups (SHGs) of medicinal plants gatherers and small cultivators. The company has been formed to provide an assured market support to the medicinal plant produce of the shareholders. The company got registered in January 2000. **As of date the subscribed shares of the company is Rs 5.02 lakhs and Rs 4.95 lakhs is held by 30 SHGs. These SHGs representatives are already in the Board of Directors and started playing a management role.**

The company's turnover has risen from a modest Rs 25 lakhs in 2001-2 to Rs 52 lakhs in 2002-3 and the turnover has reached 72 lakhs in 2005-6.

The company supplies quality raw herbs to other manufacturers, extract makers and exporters in bulk, with processing involving drying, cleaning, pulverizing (soft parts such as leaves), sizing and packing. The company takes order from other companies and places the order with SHG's through the NGOs. The company as a policy does not procure herbs from traders. As a policy it pays 70% of its sale price to the producers. GMCL and partner NGOs are engaged in a range of activities like organizing cultivators and collectors in groups or Sanghas, imparting training to Sangha members regarding sustainable harvest methods, scientific agricultural techniques, quality control and proper storage practices. The price, quality and quantity is declared aprior to the sanghas. GMCL has evolved its own quality control systems where the product conforms to the standards for moisture, physical impurities and microbial infestation. **Trainings have been organized to the sanghas to adhere to the minimal requirements as stated above.** The money is usually provided promptly and some cases even advanced by the NGOs.

Over the last two and a half years, the GMCL has been able to convince a few bulk buyers to place annual orders for some medicinal plants

The GMCL in turn gives the orders to sanghas and the procurement is done during the season and the herbs are dried / packed, stored and delivered to buyers as per their schedule



Share certificates being distributed to sangha members

Value Proposition



A meeting with Sangha in progress

Herbal sector has been identified as a growing sector for medicines, nutraceuticals and cosmeceuticals. Largely the supplies of raw herbs are controlled by traders. Typically the collectors (unorganized) gather herbs and provide to the traders (small, medium and large depending on their access) who in turn will supply to the big traders and then to the manufacturers. Sometimes it is seen that small manufacturers also supply herbs to other manufacturers. Quality of herbs is a problem. Substitution/adulteration, contamination with foreign material, poorly dried material; fungal infestation is a common phenomenon. Collectors get the crumbs of the market value and willy-nilly do unsustainable harvesting and destroy the natural resource base of medicinal plants to get more incomes. Price variation and fluctuation is another common phenomenon.

Cultivation of herbs is slowly growing and has a 10% share in the supply of herbs. Cultivators are usually at the mercy of trade and often do not get a remunerative price for their produce. Cultivation as a technology for supply of herbs is still a nascent field with much needs to be done in terms of standardizing cultivation practices, supply of good quality seeds/planting material.

The ethical threshold in the market is rather low resulting in the continuous exploitation of gatherers and cultivators and also endangers conservation of medicinal plants. It is in this context

- **The GMCL serves as an organized business platform for gatherers and small cultivators of medicinal plants to ensure fair share of the pie thus assuring incomes and employment to rural SHGs in the herbal sector.**
- **Assures quality herbs to buyers at a fixed price.**
- **Undertakes agro-technology, sustainable harvest studies and imparts training to SHGs.**

At stake in the herbal sector is the interest of the gatherers and cultivators, the interest of conservation of medicinal plants and the interest of the manufacturers. In the medium to long run GMCL intervention creates a win-win situation to buyers and suppliers as well as for conservation.

It is expected that the herbal sector would undergo a churn with the injection of "professionalism." By professionalism it is meant fair pricing; adherence to quality of raw materials used; traceability of raw materials, conservation friendly practices in both collection and cultivation of herbs, level playing field between buyers and sellers etc. The Government of India has already passed an order that all commercial manufacturers must adhere to Good Manufacturing Practices. One of the major implication is that of use of standard raw materials.

In this scenario GMCL will have a competitive edge as it is owned by original suppliers of raw materials and also has access to experts, data bases developed at FRLHT. At present GMCL's is competing with numerous local level traders who supply raw material to the manufacturers when the going concern is cheaper price rather than quality or conservation.

GMCL- Operations

NGO partners organize the collectors and cultivators into small groups or sanghas who undertake the collection or cultivation of medicinal plants as per the demand of the industry. Requisite training is also imparted to the sangha members on group building, sustainable harvest methods, agro-techniques, cleaning, quality control, accounts and record keeping. The material collected at the village level is then transported to the respective buyers.

The Company has organized cultivation of select medicinal plants through its sanghas and provided assured supply of raw drugs based on prior agreement with buyers. Since inception the company has organized cultivation of 400 acres consisting of *Cassia angustifolia*, *Cathrenthus Rosea*, *Bacopa monneri*, *Mucuna pruriens*, *Phyllanthus amarus*, *Andrographis paniculata*, *Coleus forshkolii*, *Ocimum Sanctum*,



Cultivation of Coleus Forskohlii by GMCL sanghas

Eclipta alba and *Aloe vera*. Further through collection from non-forest areas supplied about 350 tons of *Eclipta prostrata*, *Boerhavia diffusa*, *aloe vera* suckers, *Tribulus terrestris*, *Ocimum sanctum*, *Phyllanthus madraspatensis* and other medicinal plants. This gives the buyer an assurance of getting supply of raw drugs at a fixed price and frees him from worries about market fluctuations. The Company is in a position to mobilize and organize cultivation of medicinal plants with prior buy back arrangements. GMCL has also been organizing collection of a few medicinal plants notably *Boerhavia diffusa*, *Phyllanthus madraspatensis*, *Cyperus rotundus*, *Cassia auriculata* etc. A list of plants that we have been handling is given at the end.

SOME OF OUR ESTEEMED BUYERS ARE

Himalaya Drug Co, Natural Remedies, Cavinkare, Reliance Agro-technology Ltd, Sri Dhootpapeshwar Ltd., SIRIS IMPEX, Om Pharma and Indfrag to name a few.

New Initiatives

In September 2004, GMCL launched the production and sale of herbal medicines in the brand name of "Village herbs". Village herbs is selected from the traditional medicines and are meant for treatment of primary health care conditions. The brand is owned by the community of share holders of GMCL and is meant for the community. Village herbs represent effective medicines at reasonable cost and is produced conforming to goods manufacturing practices in a licensed unit. Our manufacturing unit at Sevaiyur, Tamilnadu has obtained the license no 1106 dated 6th August, 2004. The production unit has been designed to make the formulations for which approval has been obtained. We are using equipments supplied from reputed manufacturers. A women's sangha is providing the required skilled labour. The manufacturing unit is managed by an ayurvedic physician. We will be shortly adding medicines for scabies, head ache, menstrual problems, anemia etc and in one more year have a range of about 20 medicines for primary health care. Village herbs medicines provide additional livelihood opportunity to the sales women as well as bring down the average health expenses of the family. The medicines are being sold through rural women in villages as well as via mainstream market in Bangalore city.

GMCL in June, 2004 has set up a modern honey processing plant, housed in a hygienically designed spacious layout in Bangalore. Quality control is strictly adhered to at every stage from procurement to storage of honey. A series of chemical tests like moisture content, reducing and non-reducing sugars, acidity and HMF are carried out to ensure that the honey quality parameters meet the standards. The Honey testing is regularly carried out in Bangalore Test House, a BIS (Bureau of Indian standards) approved laboratory.

GMCL list of species under cultivation and collection

Cultivation:

1. Cassia angustifolia
2. Catharanthus roseus
3. Phyllanthus amarus
4. Andrographis paniculata
5. Aloe vera
6. Coleus forskholii
7. Medicago sativa
8. Bacopa monnieri
9. Ocimum sanctum

Collection:

1. Abutilon indicum
2. Acacia nilotica
3. Acalypha fruticosa
4. Acalypha indica
5. Achyranthes aspera
6. Adhatoda zeylanica
7. Aegle marmelelos

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| 8. Aerva lanata | 28. Eclipta prostrata |
| 9. Albizia amara | 29. Enicostemma littorale |
| 10. Aristolochia bracteolata | 30. Evolvulus alsinoides |
| 11. Azadirachta indica | 31. Hygrophila auriculata |
| 12. Biophytum sensitivum | 32. Limonia acidissima |
| 13. Boerhavia diffusa | 33. Madhuca longifolia |
| 14. Boerhavia erecta | 34. Mollugo cervuiana |
| 15. Calotropis gigantia | 35. Ocimum tenuiflorum |
| 16. Cardiospermum halicacabum | 36. Phyla nodiflora |
| 17. Cassia angustifolia | 37. Phyllanthus amarus |
| 18. Cassia auriculata | 38. Phyllanthus madraspatensis |
| 19. Cassia tora | 39. Punica granatum |
| 20. Catharanthus roseus | 40. Ricinus communis |
| 21. Centella asiatica | 41. Sida cordifolia |
| 22. Cissus quadrangularis | 42. Solanum xanthocarpum |
| 23. Citrullus colocynthis | 43. Tinospora cordifolia |
| 24. Curculigo orchiodes | 44. Tribulus terrestris |
| 25. Cynodon dactylon | 45. Tridax procumbens |
| 26. Cyperus rotundus | 46. Vernonia cineri |
| 27. Datura fastuosa | 47. Vitex negundo |

Note: The list is not exhaustive. Apart from supplying above mentioned species, we receive enquiries for several other species based on which we try to find sources of them and subsequently add to our existing list of species. Apart from above mentioned species, we also supply raw as well as processed honey (Forest & Apiary)

Reach us at:



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