

<https://www.mahspirit.com/post/the-case-for-mahua-in-a-bottle>

The Case For Mahua In A Bottle

April 14, 2022 | Rahul Srivastava

The Indian alcohol market is growing at a huge compound annual growth rate (CAGR) of 8.8% and is expected to reach 16.8 billion liters of consumption by 2022, which is still small compared to the global market of 249 billion liters.

According to The Economist, India is the 9th largest alcohol market in the world but with a very low per capita consumption – which means companies see a huge national market waiting to be tapped.

At the same time the industry is looking for new stories and traditional spins on local alcohol, which can create an indigenous identity for a few brands – on the lines of Tequila and Mescal in Mexico leading to an increased presence for Indian alcohol on global shelves.

Most consumers of alcohol in India believe that the country does not really have a popular local drink that is rooted in its own traditions. Thanks to dated policies



English



Français

designed for the benefit of licensed distillers making

British drinks for bureaucrats and army officers during colonialism – local alcohol making was actively discouraged.

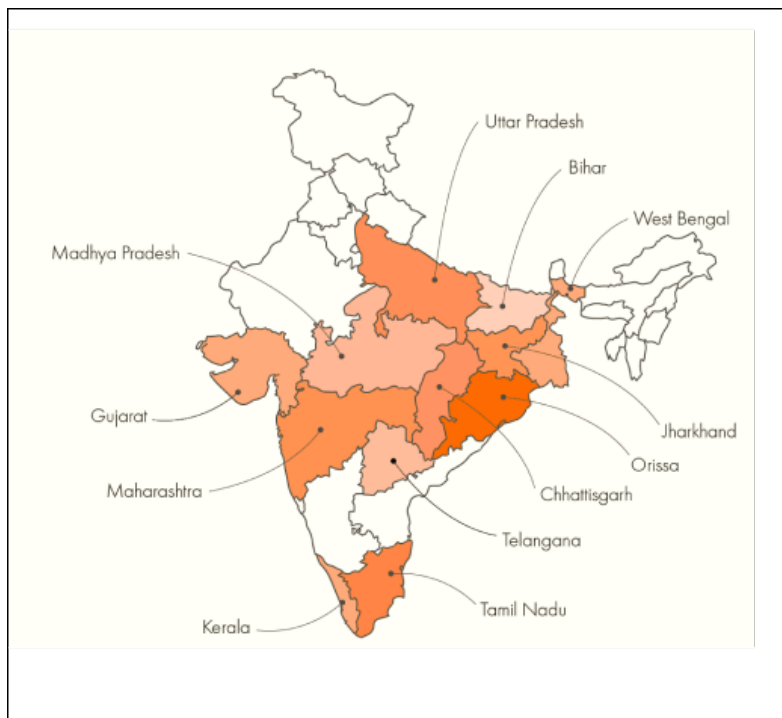
However, practices survived against many odds.

One of the most popular of such indigenous drinks that survived both politics as well as lack of commercial patronage, is Mahua.

Mahua is quite literally the Spirit of the Indian Forest – tribal India's much-loved drink made from the flowers of an ecologically gifted tree. The drink has the potential of creating a strong local and global economy which can reignite the planting of more Mahua trees, thus helping sustain India's forests. These trees have been attributed with many medicinal and environmental virtues. At the same time the drink is known to be distinctive, delicious, with a flowery aura which can be made in a variety of ways with different levels of alcohol content. According to adventurous cocktail mixers – Mahua is versatile, adaptable and waiting to be experimented with.

Well thought out strategies for commercializing Mahua globally, will primarily benefit millions of tribal communities who have been empowered by the Indian Government's Special Forests act, which exclusively allows them to collect and sell non-timber forest produce, one of which is the Mahua flower. A good organization around the Mahua, could have positive externalities and could give a boost to the community to exploit other resources from the forest.

Minor forest produce like leaves, bamboo, herbs and honey are emerging as a fast-growing economic sector, the collection of which are allowed exclusively to indigenous communities living in and around the forests.



Indian states in which Mahua is prominent

The total forest cover in India is reported to be about 700,000 square kilometers, comprising 21% of the country's land mass. Some of the most forested regions are in Madhya Pradesh, Orissa, West Bengal and Chhattisgarh and comprise of dry deciduous trees.

These forests were ravaged both during colonialism and in independent India thanks to the timber industry.

However, native trees like the Mahua, neem, tamarind, jackfruit and mango managed to survive and are now being used for reforestation because of the returns they generate through sales of their fruit. Among these, Mahua has one of the highest ecological benefits but is not as popular due to the produce – mahua flowers and oil not being valued at their full potential.

According to government reports, the estimated national production of mahua is 0.85 million MT, out of production potential of 4.9 million MT. Average trade volume of mahua flowers in Madhya Pradesh is around 5,730 MT, 2,100 MT in Orissa and Andhra Pradesh produces about 13,706 quintals of mahua flowers (worth Rs 8.4 million USD) and 6,188 quintals of mahua

seeds (worth USD Rs 6.5 million): both are procured by the Girijan Cooperative Corporation (GCC), the official procurement agency.

The collection period is for 15-20 days, when maximum flowering takes place. Mahua yield increases with the girth and age of the tree and the average yield is 50.756 kg/tree.

The tribal communities in India are some of the most economically vulnerable communities, making up 8.6% of India's population equating to roughly 104 million people. Since independence, the commercialisation of forest resources reduced their traditional access to forest produce. Additionally, mining industries have destroyed their habitats along with their livelihoods, leading to their widespread displacement.

Burgeoning Market: The Indian Alcohol Economy

India has one of the fastest growing alcohol markets in the world.

This is due to a rapid increase in urban population, a growing middle class population with more spending power, and the general significance of a growing economy nationwide.

A global study by Paris-based Organization for Economic Cooperation and Development (OECD) has found that alcohol consumption in India has risen by 55% over 20 years from 1992 to 2012. Consumption of alcohol in India has expanded at an average of 8.9% annually in the past 6 years, reaching an estimated \$22 billion (1.46 trillion rupees) in 2016. The states of Andhra Pradesh, Telangana, Kerala, Karnataka, Sikkim, Haryana and Himachal Pradesh are amongst the largest consumers of alcohol.

The most common channel for alcohol sales in India is through liquor stores as alcohol consumption is primarily an outdoor activity. Super markets are only present in tier I and II states. However, the changing demographics are expected to boost the market. As of 2014, over half of the country's population (53%) was above the age of 25. The estimated median age for the population was 27 years. The legal drinking age varies from state to state. For instance, 18 years in Goa, Uttar Pradesh and Karnataka; 21 years in Tamil Nadu and Andhra Pradesh; and 25 years in Maharashtra, Delhi and Punjab.

These statistics indicate that India is an ideal market for high revenue growth of alcohol owing to increasing consumption. Various start-ups have already emerged to target this burgeoning market. These include microbreweries, apps that offer lucrative savings on alcohol, and the after-party demographic. According to World Bank statistics, GDP per capita income for India in 2014 was more than USD 1,595. This increased disposable income will result in higher consumption of food and beverages, including alcohol. The general outlook of alcohol consumption is changing, as there is a growing prominence of drinking culture in urban cities.

The Mahua Economy

The Mahua tree is a deciduous tree found in Teak forests, and grows across India under dry tropical and subtropical climatic conditions in the states of West Bengal, Chhattisgarh, Kharkhand, Uttar Pradesh, Bihar, Maharashtra, Telangana, Madhya Pradesh, Kerala, Gujarat, Orissa and Tamil Nadu. It provides a number of important Non Timber Forest Products (NTFP) such as oil, oil cake, liquor, green manure, and other raw materials that can be produced to make several other useful products such as soap and vegetable oil.

The Mahua flower is consumed in both raw and cooked

form as curry, while the oil is used mostly for cooking. The tree can grow in a large range of soils; from the sandy loams to stiff clay and calcareous soils. As the tree is affected by neither heavy rains nor drought, it is highly durable and has great potential for agroforestry. Harvesting occurs during the summer.

Sometimes entire families shift base from their village to the nearby forest in the summers to collect as much Mahua as possible. At present, the trading of mahua flowers and seed is worth Rs. 150 million (2.35 million US\$) in the three eastern states of Orissa, Bihar and Madhya Pradesh.

“Mahua is a non-nationalized item in Andhra Pradesh, Madhya Pradesh and Orissa, however each of these states has different policies governing its trade. In Orissa, although mahua is kept under the control of Gram Panchayats (Village Councils) as per the NTFP (Non-timber forest produce) policy of 2000, it is still not a freely tradable item because of its classification as an intoxicant by the Bihar and Orissa Excise Act, 1915. In Andhra Pradesh it is under the monopoly of the GCC. Whereas, in Madhya Pradesh mahua is a freely tradable item, free from any excise duty.

According to an international study – “Removal of restrictions have a positive impact on the mahua-based enterprises as in case of Madhya Pradesh, where there has been a major increase in mahua liquor production since the state government lifted the restriction of maximum 5 litres storage of mahua liquor per family. Local people feel the removal of this restriction is a supportive policy as it provides employment opportunity and consumption of mahua is part of tribal traditions”.