

**Workshop**  
**on**  
**Poor, Livelihoods and Local Market Development**  
**November 23-27, 2005**

**Co- organized by Badlao Foundation and PRADAN**  
*Supported by ICCO, Netherlands*

**A Workshop Report**

Hotel Yuvraj Palace, Ranchi

## **Introduction**

This report documents the proceedings of a workshop on Poor, Livelihoods and Local Market Development (LMD) jointly hosted by Badlao Foundation and PRADAN, and supported by ICCO, Netherlands which, was held from November 23–27, 2005, at Hotel Yuvraj Palace, Ranchi. The Workshop was attended by representatives of 48 NGOs active in the field of livelihood promotion for the poor in the states of Jharkhand, West Bengal, eastern Andhra Pradesh and Orissa. Annexure I lists the names and addresses of the participants at the Workshop.

The primary purpose of the Workshop was to bring about a shared and enhanced understanding amongst participants on issues of local market development in eastern India and initiate a process of joint action for contributing such development in the Region.

Dr. Deepankar Roy and Mr. D. Narendranath (PRADAN) facilitated the workshop.

### **Day 1.**

The Workshop began with an ice-breaking session (Microlab – Annexure 2) with a view to help participants get to know each other and create an ambient atmosphere for further in-depth sharing. The nature of the questions covered areas of significance to self as well as those pertaining to the theme of the Workshop.

A formal welcome was extended to the delegates and members of ICCO, Netherlands, by Mr. Bajrang Singh, Founder Secretary, Badlao Foundation. He expressed confidence that the Workshop would be able to come up with some constructive strategies to help markets work better for the poor people in the present age of globalization and open markets. This was followed by a welcome by Mr. Soumen Biswas, Programme Director, PRADAN. He hoped that the Workshop days would elicit maximum participation from the participants and that they would be able to come to some conclusions regarding LMD and how to go about it. Ms. Annet Smits, Programme Officer for India, ICCO, said that the participants brought with them extensive and diversified experience and hoped that this would help them evolve a feasible course of action for the future.

### **Objectives of the Workshop**

The facilitators briefly shared the objectives of the Workshop with the participants.

- Evolved a common purpose for contributing to Local Market Development (LMD).
- Developed a shared understanding of Product Chain Development.
- Identified possibilities for enhancing livelihoods of the poor through LMD.
- Articulated support structures, systems and processes to promote LMD for the poor.
- Identified needs and requirements of individuals and organizations supporting LMD.

Participants sought clarification about:

a) “Local” in LMD.

For participants, it meant a geographical territory and could be a village, block or district. It would depend on the area where a particular NGO was situated and worked with a group of poor people. From ICCO’s perspective, ‘local’ meant ‘State’ (Bihar, Jharkhand).

b) Primary focus of the Workshop.

Market development or creating sustainable livelihoods for the poor?

It was clarified that the Workshop looked at LMD as an instrument for creating sustainable livelihoods for poor people.

Some participants commented that:

LMD should be *an inclusive concept* that looked at

- both *products and the population* concerned
- *agricultural products/non-farm products and services/non-timber forest produce, especially in village owned forests.*

Expectations of participants from the Workshop were:

- Sharing of illustrations of available best practices/success stories in the context of LMD.
- Issues of certification in the context of LMD, especially as the markets for organic farm products was growing and may be affecting some of us already/or in the near future.

This was followed by providing details of logistics, etc., for the participants.

The day ended with the participants forming groups of eight. They were given 15-20 minutes to discuss and consolidate their points on the following issue:

**Is there a need for LMD? Why?**

**Day 2**

The day began with a recap of the discussions and issues raised on the first day.

Sharing by sub-groups on “**Is there a need for LMD? Why?**” is reported below:

Participants agreed that there was a need for LMD for the following reasons:

- Provide quality produce/raw materials at affordable prices.
- Better flow of information; development of local markets will act as a bridge between larger markets (outside) and rural producers.
- Reduce drudgery and provide easy and better access to markets.
- Reduce dependence of producer on various market players.
- Reduce involvement of the middlemen/traders/moneylenders in the local market.
- Greater bargaining power for the producer/buyer.
- LMD will lead to products being sold at stable prices. This will protect vulnerable poor from market fluctuations.
- Increase consumption of local produce; decrease menace of globalization.
- Increase productive time in the year.
- Stop drainage of local resources to the outside.
- Stimulus to organize local producers.
- Common platform for buyers and sellers.
- Create more space for women in local markets.

*Example:* A project to improve transport services in two districts of Manipur actually led to more women using the buses that were provided to sell their products in the local markets.

- Provide continuity for traditional crafts, arts and productions systems.
- Prevent large-scale migration, and family and social disintegration.
- Reduce distress sales.
- Giving higher returns/fair prices to the producer.
- Prevent skewed regional economic growth.
- Sustainability of livelihoods.
- Boosting local economy.

Views were expressed about the role of globalization

Some expressed that globalization was a menace as it led to the entry of cheaper foreign products into local markets. Hence, local producers found it difficult to enter these markets or to sustain themselves in them.

Local seeds (e.g., paddy) were giving way to genetically modified (GM) varieties of seeds promoted by multinationals. This was leading to a destruction of local varieties of seeds.

*Counter view:* Only 2% farmers were able to access GM seeds. Remaining farmers still used traditional varieties that were locally produced.

Others were of the view that globalization facilitated market entry of producers. For example, it created a level playing field for both golden apples from Shimla (Rs. 150) as well as apples from New Zealand (Rs. 150).

It provided a variety to the consumer based on his purchasing power.

If outsiders were entering our markets, let us not forget that our products (e.g., mangoes, etc.) were finding their way to foreign shores, which in turn was boosting the local economy.

Our products often found it difficult to compete with outside products because they were of better quality. Instead of blaming globalization, there was a need to improve the technology and production management systems.

Further, poor producers did not manufacture everything. There was no harm if they were able to access good quality inexpensive products that they did not produce themselves.

MNCs, like Pepsi, etc., were also promoting LMD by finding a ready market for local producers (it promoted potato producers for making chips). Hence, MNCs were not always bad.

### **How did LMD lead to a reduction in the involvement of middlemen? Were middlemen unnecessary?**

It was usually seen that middlemen exploited small rural producers both at the buying and selling points. For example, middlemen bought brooms produced by Savar tribals of Bengal at a lower than cost price. They also sold rice to the same tribals at a higher than market price.

In case of production of organic vegetables in the suburbs of Bangalore, it was found that the presence of numerous traders prevented producers from getting more than 40% of the entire profit. It was only after the formation of a producers' cooperative that producers were able to reap a 90% return.

LMD would not only reduce the number of middlemen but would also boost local economy and help in fund circulation within the local area. For example, in case of women embroidery workers from Bikaner, Rajasthan, an NGO was initially concerned about promoting the export market. However, after some time, the NGO realized that there was a huge market within the area, in places like Jaisalmer and Jaipur. The workers also found it easier to trade in these markets as they were part of the same cultural scenario. The effort was a huge success. It not only reduced the number of middlemen involved as women found it easier to engage in direct selling to retailers in these markets, but also helped workers to plan their investment and expenditure as they could estimate their earnings and period of recovery with the traders.

While LMD reduced the number of private moneylenders, it facilitated the entry of organized financial institutions.

### **Evolving a Common purpose for LMD**

**Task**

1. Evolve a set of guiding principles for LMD. (20 minutes).
2. Keeping in view the need for LMD as articulated by participants and the guiding principles, evolve a common purpose for LMD. (20 minutes)

**Method**

In a fishbowl exercise, one representative from each of the eight groups was asked to come forward into a circle of chairs drawn up in the middle of the room. The circle had nine chairs. In addition to the eight group representatives, anyone who wished to provide an input or comment from the audience was asked to occupy the ninth chair in the group. Members of the representative group could either accept or reject the given input in their further discussions, but they could not get into an argument with the person in the ninth chair. Rest of the participants were asked to listen and to observe the proceedings.

**Outputs****Guiding Principles for Local Market Development**

- Benefit the poor/poorest.
- Promote sustainable livelihoods.
- Use available skills, resources and technology.
- Provide increasing access to markets.
- Develop and diversify markets.

**Overall Purpose(s) for Local Market Development*****Short term***

- Strengthening existing markets.
  - Promoting local production.
  - Diversifying production.
  - Promoting financial and other business development services.

***Long Term***

- Developing infrastructure.
  - New Markets.
  - Physical infrastructure.
- Enhancing quality at production levels to remain competitive.
- Influencing policies to create an enabling environment.

**Local Market Development: An ICCO Perspective**

Mr. Andre Vording, Consultant, ICCO, Netherlands, gave a PowerPoint presentation on LMD (Annexure2). The entire presentation revolved around a conceptual model known as **value chain analysis**. The central feature of this concept was that it looked at the market players in an integrated manner from producers, processors, suppliers to consumers and support institutions in the meso and macro environment like government, financial institutions, banks, NGOs and other support organizations. Given that ICCO was working in 50 odd countries, local (for them) meant national markets and LMD meant improving markets and trade in neighbouring countries. However, there were variations as well. For example, given India's size, diversified markets and existence of different laws in different States, a State may be considered as local. At each location ICCO's focus was on developing and promoting sustainable livelihoods for poor communities using market development as an instrument for the same.

## **Questions and Comments**

### **In what way could ICCO help poor farmers?**

ICCO concentrated on developing and promoting sustainable livelihoods for poor producers. It also helped to link these poor farmers/producers to nearby urban markets. It had also promoted local certification mechanisms for organic produce that was marketed in the domestic market. In addition it had helped support business development services of poor producers in the past.

### **In the context of organic products, how could we prevent international clauses of certification from affecting poor people's right to eat healthily?**

In many developing countries farmers by default followed organic farming practices as they could not afford to use costly chemical inputs. There was a need to promote organic farming. International certification was not always necessary especially if the market was domestic and local. For example ICCO supported a process of LMD in Philippines whereby local vegetable produce found its way to Mindanao and other places within the country without any international certification. Some of it was also shipped to China as well.

**Comment:** The presentation had a western supermarket bias in the way it viewed the value chain from producer to the market. There was also a need to look down from markets to the producers concerned.

**Response:** The presentation was focused on how poor producers could access the market given barriers to entry and existing inefficiencies in the value chain. For example, in case of the tomato producers of Kyrgyzstan, it showed how formation of cooperatives and other business development initiatives had helped them overcome these barriers. Value chain analysis could also be used in case of export products.

**Comment:** The presentation provided an opportunity for promoting village enterprises, which went beyond the debate of whether LMD targeted the poor or the poorest. For

example, Gram Vikas, Orissa, promoted brick making using vertical shaft technology amongst landless brick kiln workers (one of the poorest groups) who would previously migrate to other states in search of work. The effort provided sustainable livelihoods to these workers and their families in the local area and also led to an accumulation of capital within the community.

**Response:** The nature of entrepreneurial activity that can be promoted depends on the kind of product. Some were individual activities such as poultry while some were collective activities such as brick making using vertical shaft technology. Also, the complexity of the value chain depended on the kind of product and the number of actors involved in the product chain. For example, it might be simple to do it for chickens rather than for peanuts where the products ranged from peanut butter to edible oil; and the chain stretched from local to national and international markets.

### **Promoting Tasar in Jharkhand: A PRADAN initiative.**

This was followed by a presentation by Mr. Satyabrata Acharya, Programme Director, PRADAN, on the organization's efforts to promote Tasar in Jharkhand. The central feature of the presentation was how the organization had affected the Tasar value chain in order to secure a higher and fairer share of profits for the producer and primary processors.

(See Annexure 3 for further details)

### **Discussion and Questions**

#### **Was Tasar an activity known to many people?**

60,000 families (many of them tribals) in Jharkhand and Bihar are known to rear silk worms. Silk weaving was a traditional occupation for many Muslim weavers. Bhagalpur in Bihar was the central market for silk cocoon and yarn.

#### **Was the activity acceptable to the local community? In which areas did you face a lack of acceptance?**

The previous question does answer part of this question. However, there were areas of resistance in the entire process. For example, the concept of private grainage was new and encountered resistance. Also, silk worms were reared in a traditional manner. The concept of disease-free-layings (DFL) took some time to be accepted. In fact, PRADAN had to demonstrate that DFLs were better than traditionally reared worms before this became popular.

#### **Given that loans were an important means of funding, what was the experience of loan repayment?**

Initially PRADAN promoted a number of SHGs where a habit/discipline of thrift and credit were strongly ingrained amongst members. Herein, strong peer pressure also

helped to ensure loan repayment. Afterwards, some of the rearers' (with good track records of loan repayment) family members took loans to take up reeling activity ensuring repayment of loans.

**What was the average income of a single family from the activity?**

Rs. 6,000-Rs. 15,000 per season (3-4 months).

**Was your producers' co-operative registered? If so, under which act?**

Registration had been applied for under the following act:

The Companies (Amended) Act 2002

In the new Act, Part IX A of the previous Companies Act of 1956, which deals with Producer Companies has been incorporated.

**How long do you think you have to engage in handholding the producers' co-operative?**

At present, the main task was institution building which would take another 4-5 years at least. Presently, the co-operative is able to cover all its costs including cost of production and hiring of marketing professionals. However, members' awareness on co-operative management, democratic functioning, and compliance issues still leaves much to be desired. It is also dependent on PRADAN for linkage building with other market actors despite the formation of rearers' co-operatives and reelers/weavers Mutual Business Trusts.

**Can you give the demand and supply situation in the overall Tasar market?**

Slide: Broad features of the Tasar sub-sector.

At present, the supply is only 15% of the total demand for raw silk in the domestic market. According to PRADAN's calculations, it can support at least 20,000 sustainable livelihoods.

**How many crops of Tasar can you grow in a year? What is the gestation period involved?**

It is possible to grow one seed crop between July and August, and one commercial crop between September and end of November. In fact, this coincides with gaps in paddy production following plantation and harvesting of paddy. PRADAN has promoted Tasar on privately owned wastelands. Tasar is produced from the 3<sup>rd</sup> year onwards on Arjun and Asan host trees and continues till 25 years. Books, however, say that they can produce for a period of 50 years.

## **Is it possible to arrange an exposure visit to PRADAN's Tasar project for members of producers' cooperative that we (E.T.C) are promoting in the South?**

Yes, certainly.

### **Discussion of Methodology for Field work**

The last session was devoted to a discussion of fieldwork that was to take place the following day. As part of fieldwork, participants were expected to do a value chain analysis for two products: *vegetable* and *poultry*. Herein, they were expected to meet and interview various actors in the value chain.

### **Interview Techniques**

The session began with a *role-play* of an interview by three volunteers. Two persons played the part of interviewers and a third enacted the role of a vegetable producer. The following points on interviewing emerged from the discussion that followed:

- Allow the interviewee to talk from his/her agenda. This will bring out issues of concern/priority to him/her. For example, "Tell me a little about yourself, what activity are you engaged in, the problems you face, where you market the products, etc.?"
- Avoid close-ended and leading questions. For example, "Do you have no other problem other than irrigation? Do you have your own farm?"
- Spend some time in introduction and rapport building with the interviewee.
- Show respect to the interviewee's views by being attentive and in non-verbal ways.
- A good interview is where the interviewee talks for 90% of the time and the interviewer talks for 10% of the time.
- Summarize the discussion at the end of the interview in order to bring it to a satisfactory closure. This also helps recall in the future.
- If you take notes during the interview, seek the permission of the interviewee before doing so.
- If there are two interviewers, one could take notes while the other conducted the interview.
- An interview plan helps to keep the discussion focused.

Keeping the above discussion in view a new set of volunteers enacted another *role-play* on interviewing. This time the interviewee played the part of an SHG member. The following learnings emerged from the discussion that followed:

- Do not challenge or get into an argument with the interviewee.
- If the interviewee is angry, then try and make statements that reflect/acknowledge his/her anger or frustration. For example, "I see that you are going through a lot of problems in getting loans."
- Do not give false assurances.

Participants were also provided with an interview guide (Annexure 4) that could be used to guide their questions. They were, however, free to explore any other issues as well. Facilitators discussed the questions in the guide and clarified terms or phrases that were not clear to some of the participants.

The participants were divided into two sub-groups, one for the value chain of vegetable sellers and the other for poultry.

The vegetable group was divided into nine pairs of interviewers and the poultry group was divided into seven pairs. Each of the dyads were assigned to meet one of the following market actors: producers, input suppliers, processors, traders, wholesalers and retailers, government departments, research institutions or banks. A visit to poultry producers of Kuru Block in Lohardaga district, 55 kms from Ranchi, was arranged for the poultry group. The vegetable groups were to visit vegetable sellers of Pithoria and Khunti, 52 km from Ranchi. Several traders, government officials and research organizations were located in Ranchi itself. Each group was also provided with contact details of the actors they were to visit. PRADAN had also taken some appointments with the Agriculture University, input suppliers and senior government officials.

### **Feedback from Participants**

The day ended with the facilitators seeking feedback about the proceedings thus far from the participants. This is presented below:

- Objectives of the Workshop and the conceptual model involved were becoming increasingly clear.
- Process of the Workshop was participatory.
- Discussion and theory interspersed with fieldwork was helping to keep the interest of the participants alive during the five-day Workshop.
- Facilitators were making an attempt to include the thoughts, inputs and experiences of all the participants.
- It would help to know in advance if one was expected to come up with an action plan at the end of the Workshop.
- This process of not knowing what came next was an enjoyable and exciting process.
- I hope to take back some learning to the SHG women with whom I work.
- Facilitators were giving maximum opportunity to participants to express themselves.

### **Day 3**

Field Work.

The participants left at about 8:30 am and returned to the Hotel at about 6:00 pm.

### **Day 4**

The discussions started with participants sharing some of their field experiences and difficulties encountered during fieldwork. Some vegetable producers were unable to give time as it was a market day; and for some Muslim respondents, it was difficult to give time on a Friday (religious day).

Following this sharing, the vegetable and poultry group were each subdivided into the following sub-groups based on the basis of the actors the participants interacted with:

- Producers.
- Members of Co-operatives (only poultry).
- Input Suppliers.
- Traders, Wholesalers and Retailers.
- Banks.
- Government officials.

Each sub-group was assigned the following task.

### **Task I**

1. Consolidate the data collected by various members.

### **Output for Task I**

This section reproduces the data sheets in the form they were written out by the participants. The data sheets have been broadly divided into the vegetable group and the poultry group. In each sub-section, data obtained from the Producers, Suppliers, Traders, Bank and Government officials is presented separately.

### **Section I: Vegetable Group**

#### **1. *Vegetable Producers from Pithoria and JoJodi***

##### **Basic Information**

Vegetable producers from Pithoria

<b>Case No.</b>	<b>Total land</b>	<b>Paddy</b>	<b>Vegetable</b>	<b>Production</b>
Case I	20 acre	3.5 acre	1.5 acre	63mm/year
Case II	12.5 acre	7 acre	12 dm	
Case III	7.0 acre	4.5 acre	15 dm	Rs. 3,500/15 months
Case IV			1 acre	Rs. 60,000

##### **Other Market Actors:**

Farmers association, middlemen, co-operative, gaddiwala of mandi

##### **Five years ago:**

- People were in the clutches of middlemen.
- They had obtained loans at 10% flat rate of interest.
- Vegetable growing was restricted to certain caste groups only.

- Traditional crops and cropping practices were followed.
- Inputs were not available on time.
- There was lack of proper support.

### **Present Scenario**

- At present the SHG provided capital at a diminishing rate of 2% interest.
- Vegetables were grown by all caste groups.
- Scientific cropping practices were being followed.
- Fund and other inputs were available on time.
- Technical support was available.

### **Where do you see yourself five years from now?**

- With more education.
- Having irrigation facilities throughout the year.
- With our own houses (JoJodi).

### **What capacities/skills/knowledge/linkages do you need in the future?**

- Capacity building/training on issues like leadership and management/second generation leadership building for the SHG.
- Individual saving accounts.
- Lift irrigation facilities.
- Physical and social infrastructure like roads, electricity, schools, etc. More exposure to market information/newer crops/cropping practices, etc.
- Facilities for cold storage.
- Support from NGOs and Government.

### **What hinders your functioning?**

#### *Vegetable producers of Pithoria*

- Lack of irrigation/labour
- K.C.C.–the right person is often not able to access capital.
- Truckers taking vegetable produce to the markets are often stopped and harassed by the police for bribes. The truckers are forced to give in to their demands as the produce they carry is perishable and will lead to a total loss if it does not reach the market.
- Inability to produce more than two crops at a time.
- Government schemes/support target only the ST community. This fails to benefit members of the Kurmi community, most of whom are vegetable producers.

#### *Vegetable producers of Jojodi*

- Lack of irrigation.
- High rates of illiteracy and absence of schooling facilities.
- Absence of bank and post office/other physical infrastructure.
- Absence of market information.

**Are there any things inside you that you think interferes with your functioning?**

- Lack of entrepreneurial skills/accounting skills.
- Lack of appropriate know-how.

**What facilitates your functioning?**

- Presence and support of NGOs like PRADAN, NBJK, RKM in Jojodi.
- Presence and support of NABARD and other Banking institutions in Jojodi.
- Good links with the market in Pithoria allow for an easy and quick flow of market information.

## **2. *Vegetable Traders***

- Most of the food grain comes from outside the state while vegetables are produced and marketed locally.
- Where there were 2-3 traders in the past, there are a large number of traders today.
- Entry of new traders has lowered profit margins of the earlier traders. As a result, some have moved out to other markets.
- Business is seasonal in vegetable trading.
- There is no interference by other agents or middlemen.
- Bazaar Samiti collects a heavy tax from small traders. Some traders have moved to other markets in order to avoid paying taxes.
- The future appears bleak.

## **3. *Suppliers of fertilizers/ pesticides/seeds/ implements***

*(Dhartidhan, Priya Agrico, National Seed Corporation)*

### **Basic Information**

Turnover: Dhartidhan-Rs. 2.5 crore; Priya Agrico-Rs. 1.5 crore.

Product: Seed (agriculture, horticulture and forest), fertilizers, pesticides, agricultural implements.

Customer: Farmers, Dealers.

Market: Dhartidhan; Jharkhand and neighbouring districts.

PRIYA: South Jharkhand.

NSC: Jharkhand.

Other Players: 50 in Ranchi city.

**Where do you see yourself five years from now?**

With a 50% growth in sales.

**What facilitates your functioning?**

- Inspiration from NGO to demonstrate products directly to the farmers.

- Easy loans from Banks.
- Availability of technical expertise.
- Fund flow became easier after formation of a separate Jharkhand state.

**What hinders your functioning?**

- Low level of awareness of the farmer.
- Poor work culture of the Government makes it difficult to access Government funds or other facilities/support.

**What are your future needs?**

- Soil testing systems.
- Removal of multiple licenses.
- Financial support.
- Professional manpower.

**4. Banks**

**Basic Information**

- People are increasingly availing of banking facilities and the credit deposit ratio is increasing.
- Banks are increasingly inclined to promote group finance in rural areas given the higher rate of repayments. This is complemented by a growing tendency not to engage in individual financing.
- Banks are willing to finance vegetable producers if cold storage facilities are available to them.
- Women are increasingly participating in financial activities as a result of SHG promotion.
- In this area, there is little involvement of NGOs in extension work. (1 bank)

**Vision for the future**

- SHGs in the area start functioning as rural banks while the Bank itself becomes a lead Bank for these groups.
- Banks will closely liaison with NGOs in the future.

**Hindering factors**

- SHG group leaders exploit members in getting financial benefits. For example, they charge interest from group members in order to finance their income generation activities.
- Bureaucracy, red tape and complex Government regulations adversely affect the rate of financial activities.

**5. Government Agencies, Research Institutions**

*(Directorate of Agriculture, Govt of Jharkhand; Birsa Agricultural University; NABARD)*

## **Basic Information**

### *Directorate of Agriculture*

- Total Land in Jharkhand: 79 lakh ha.
- Total cultivable land: 26 lakh ha.
- Food grain Requirement: 46 lakh tones.
- Food grain Production: 22 lakh tonne.
- Deficit: 24 lakh tones.
- Vegetable: 11 lakh tonne surplus.
- Jharkhand gets an average annual rainfall of 1300 mm. However, 90% of this water is wasted as surface run off.
- Directorate of Agriculture takes care of the development of agriculture, horticulture, soil conservation, plant protection and related work in the State.
- It has officials at the Division, District, Block and Panchayat level.
- NGOs in the field of agriculture development and Government work in isolation from each other.
- Deptt. of Agriculture, Govt. of Jharkhand, publishes Birsa Kisan Diary which contains information on horticultural practices, quality seeds, fertilizers (chemical and organic), quality seeds, biopesticides, insecticides and information about related Government schemes.

### *Birsa Agricultural University (BAU)*

- Supports agriculture development activities in the State. Core efforts of the University are to transfer technology to the farmers.
- Has sponsored 18 Krishi Vigyan Kendra (KVKs), established ATMA at the District level and three Zonal Research Centres.
- Present stress is on medicinal plants, spices and crop diversification practices.
- Also arranges training for farmers in agriculture and horticulture.
- Publishes various useful materials like 'Pathari Krishi Patrika,' 'Kheti ki Duniya', 'Agriwatch,' 'Krishale Jagat,' 'Khet aur Bazar,' etc.

### *NABARD*

- It has various financial schemes for the rural poor and farmers. Example: SHG promotion, Kisan Credit Cards, subsidy for rain water conservation schemes or on-farm water management by acquiring tube well, well, lift irrigation and pump sets.
- The current stress is on augmenting water conservation, water harvesting, and crop diversification and organized marketing yards

## **Future Vision**

- Scope for organic farming in the future.
- Marketing of food grains and vegetables is never a problem as it automatically develops in case of surplus production.
- Rainwater harvesting needs to become the basic priority in future years for increasing food production.
- BAU is working on a proposal for providing technical inputs, market information, etc., at Block and Panchayat level to farmers.
- NABARD is likely to launch a new scheme to develop rural marketing yards. CBOs, NGOs, and private players will be given a subsidy to develop such marketing yards.

### **Future Needs**

- Need for village level micro-planning in agriculture.
- Need to make agriculture profitable such that farmers take it up as a full time occupation in future.
- There is need for a special package for primitive tribal groups like Sauria Paharias, Hill Kharias, etc.
- Dry land farming deserves attention in the State.
- Need for different Government and non-Government agencies to work closely together for agriculture development in the State.

## **Section II**

### **Poultry Group**

#### **1. Poultry Producers**

#### **Basic Information**

Place of visit : Dorotoli village, Kuru block, Lohardaga district.  
 Total Population : 600.  
 No. of Households : 100.  
 Caste groups in village: Oraon, Turi, Munda, Pandit, Lohar, Bharti, Pamaria.  
 No. of SHGs : 4.  
 No. of members : 75.  
 No. of poultry sheds : 45.

#### **Five years ago**

- The Oraons in the village migrated from Rohtas district four generations ago.
- Earlier, they practiced agriculture traditionally and produced maize, marua and paddy.
- Loans were availed from Madrasi moneylenders for 10 weeks at an interest of 120 %.
- Most people were illiterate.

#### **Information on PRADAN promoted Poultry Unit:**

Total unit cost : Rs. 40,275.00.  
 Total cost of a shed : Rs. 16,500.00.

(Rs. 12,500.00—subsidy and Rs. 4,000.00 on loan from SHG).

Total unit size: 300 chicks.

In one year, there are eight cycles. Each cycle is of 45 days.  
(10 days preparation and 35 working days).

### **Case Study (in one chain)**

Lalo Didi, Code-1126.

Village Maradi (Saraswati group)

Starting Date: 31.8.05,

Closing Date: 4.10.05,

Cost of (300 +2%) chicks @ Rs 15 each = Rs. 4,410.00

Cost of Feed = Rs. 9,005.50

Cost of coal, wood = Rs. 340.00

Cost of Medicine = Rs. 280.00

Cost of Vaccine = Rs. 441.00

Total Cost = Rs. 14,476.50

Details of Sale

No. of chicks sold = 287 (11% mortality, 2% damage)

Total weight of chicks = Rs. 392.4 kg

Selling price = Rs. 41 /kg

Total income = Rs.16, 113.00

Net income: = Rs. 16,113-14,476

= Rs. 1636.50

Loan repayment = Rs. 300

Therefore Lalo Didi's actual income = Rs. 1,636-300

= Rs. 1,336.00 only

*Note: This case study does not take into account labour cost, cost of paper, kerosene oil and other such costs.*

### **Poultry producer group outside the co-operative**

*Members of Nav Jagran Mahila Mandal.*

Poultry work from: DRDA, Lohardaga/

DRDA support = Rs. 3,55,000.00

Subsidy = Rs. 1,25,000.00

Loan = Rs. 2,30,000.00

Middleman: Laljit of another village.

### **Hindering Factors**

- Poor income from poultry.

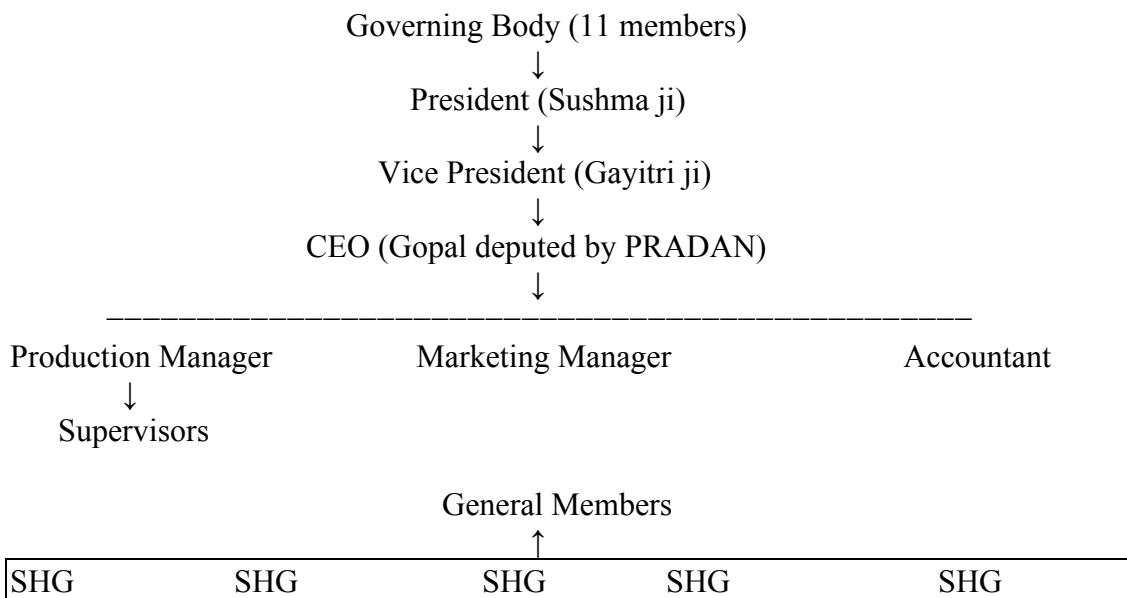
- Illiteracy prevents transparency of functioning in the Co-operative, makes it difficult to manage Co-operative. It prevents members from calculating actual costs involved in the activity.
- There is no other/alternative source of income.

### Future Needs

- Irrigation facilities for year round agriculture.
- Modern agriculture technology for increasing agricultural production.
- Education.
- Capacity building of producers to help run the producers' Co-operative more efficiently.

## 2. *Co-operative*

### *Structure of Poultry Producers' Co-operative promoted by PRADAN*



### Genesis

- Poultry Cooperative was started as backyard poultry had already been in existence in the past.
- A market survey was undertaken in 2002 by PRADAN. This showed that Ranchi alone had a demand of 22 tonnes a day. There existed an in-house production of only two tonnes; hence there was a deficit of 20 tonnes a day in the market. It was on the basis of this survey that the poultry Co-operative was started in 2002

### Structure and Functions

- SHG members are members of the Co-operative. The Cooperative has 321 members at present.
- They make 7 to 8 batches of 300 chicks per year. A batch period varies between 38-42 days.

- Average monthly income of the members from this activity varies from Rs.1200-1500/batch.
- One supervisor is appointed for 33 sheds.
- Supervisors are paid commission of Rs. 0.50 each per chick.
- Market information, inputs, supervision are also provided by the Cooperative.
- The Board has been constituted for three years.
- Cooperative holds monthly meetings for its members.
- Internal audit takes place every quarter and external audit takes place annually.
- Co-operative decides on the rate at which it will buy the chicken and absorbs all market fluctuations.

### **Market Details**

- At present the selling price is:

1 -1.1 kg	= Rs. 43
1.1 -1.25 kg	= Rs. 42
1.25 -1.35 kg	= Rs. 42
1.35 -1.45 kg	= Rs. 40
1.45 -1.60 kg	= Rs. 38
1.60 - 2.00 kg	= Rs. 37
Greater than 2 kg	= Rs. 36

- Markets are in Lohardaga and nearby towns. Other markets are in Ranchi, Patna and Ambikapur.
- Inputs can be purchased from Patna, Jamshedpur, Kolkata and MP.
- Co-operative has fixed margins on feed and medicine supplies.
- All sales are made in cash and through banks.
- Purchases are mostly in cash or on a credit of 2-7 days.
- The Co-operative had a turnover of Rs. 1.44 crore last year.
- This year the targeted turnover is Rs. 4.8 crore.

### **3. Wholesalers/Retailers**

#### *Wholesalers*

- Most of the wholesalers are located at Bara Talab (near Chinmaya Ashram). A few of them are also located in Hind Piri.
- Market rate is controlled by the farmers of Bengal (Midnapore, Hoogly, Howrah).
- Cost price/landing cost of the wholesalers are Rs. 35/kg.
- If the chicken is produced locally, then the cost price is Rs 35/kg.; if procured from Andhra Pradesh, Chattisgarh, it is between Rs. 28-30/kg.
- Common varieties of chicks sold in the markets are Van Cob and Hobardi.
- Chicken is sold in Ranchi, Jamshedpur, Dehri, Vikramganj, and Patna between Rs. 39-46 depending on the weight.
- The market shrinks between July and October. Demand rises during the marriage season and Holi.
- Demand is high for small chickens (around 1 kg) in the retail market.

- Retailers keep their prices fixed. This does not match the reduction in wholesale prices.
- Wholesalers do not keep chicks for more than two days due to shrinkage or weight loss.
- Big wholesalers give unlimited credit. Smaller wholesalers give credit for 2-3 days.

*Retailers*

- The cost price is between Rs. 47-48 while the selling price is between Rs. 50-52 for the retailers.
- Demand increases on Friday, Saturday and Sunday while it falls on Tuesdays and Thursdays due to religious reasons.
- While the daily turnover of retailers was Rs. 10-12 twenty years back, it is between Rs. 2-4 now due to the entry of numerous small local retailers.
- Prices vary between Daily market and the other markets in the area.
- Hotels and institutional buyers prefer 650 gms of dressed chicken. Hence they keep multiple suppliers and tend to pay higher prices for higher quality products.
- Medium sized hotels tend to fix the price for 12 months. For them the quantity procured varies according to the consumer.

#### **4. Input Suppliers( Chicks, Medicine, Feed)**

**Basic Information**

The turnover could not be assessed for reasons of business privacy and volume/cost involved.

- 9000 chicks per month are supplied by Golpahadi.
- Chicks are supplied by neighbouring states like Orissa, MP, Bihar and West Bengal.
- Medicines and feed are supplied locally.

**Five years Ago**

- Competition was low.
- While 20 medicine companies were operating in the market previously, there were 41 companies at present.
- Quality has reduced.
- Margins have reduced.

**Facilitating factors**

- Suppliers have managed to establish direct contact/relationship with their consumers.
- Supplies are timely.
- Different input suppliers have started functioning as a team in certain areas.

**Hindering factors**

- Excessive competition due to entry of small and new local players.

- Direct selling by companies tends to compete with the wholesaling/retailing market.
- Spread of diseases like bird flu, etc.
- Poor payment recovery tends to block capital.

### 5. **Bank**

*(Bank of India, State Bank of India, Lohardaga Branch)*

*BOI*

- Has supported 20 groups so far.
- Cost per unit is Rs. 40,275. Within this, there is a subsidy of Rs. 12,500 and the rest is a loan offered at 9% interest.

*SBI*

- Payment recovery is a problem.
- Agriculture is a priority sector.
- Interested in new income generation proposals and favour co-operative schemes due to their greater financial viability.

### **Facilitating factors**

- Promotion and growth of SHGs.
- Presence and support of NGOs.

### **Task II**

In the same sub-groups, analyze the above data and write out the facilitating and hindering factors/forces that are affecting the behaviour of each actor and have an influence on poor, livelihoods and local market development.

Put this analysis for each actor on chart papers and display it separately for the Vegetable and Poultry group on both sides of the room.

### **Output for Task II**

#### **Section I: Vegetable Growers Value Chain Analysis**

##### **Producers**

<b>Hindering factors/forces</b>	<b>Facilitating factors/forces</b>
Absence of Banks.	Presence of Co-operative (single window for all market related operations) and support NGOs (technology, information and management resource centre).
Presence of moneylenders charging a high rate of interest.	Presence of SHG groups.

Misuse of Kisan Credit Card Scheme.	Availability of the right information at the right time.
Restrictive Govt. policies which favour ST community over others, while producers are actually non-tribals.	Introduction of new and scientific agricultural/ animal husbandry practices.
Lack of MIS.	Exposure to new markets.
Lack of understanding amongst co-operative members regarding management/ functioning of co-operative and accounting systems.	Training, information and technology transfer through local agricultural university.
Low rates of literacy.	

### ***Input Suppliers***

<b>Hindering factors/forces</b>	<b>Facilitating factors/forces</b>
Need for licenses leads to corrupt practices, prevents competition and prevents suppliers from reaching out to the farmers in their local areas.	Farmer education/access to information leads to increased awareness/need for better and higher inputs to raise production level.
Unreliable irrigation facilities and low, seasonal production prevents greater use of inputs.	Field demonstrations of various input use helps to convince producers regarding their utility. In turn, this helps to raise production.
Lack of cold storage and processing facilities.	Availability of small loans helps to provide for working capital.
	Guidance and support of NGOs helps to increase farmer awareness, provide technical know-how, management practices, build necessary linkages with other market actors and easily access inputs, resources and diversified markets.
	Presence of suppliers promotes bulk collection and sale of products.
	Knowledge and facilities for processing adds value to the product. Research activities also support the process of product development and diversifying markets.

### ***Traders: Wholesalers/Retailers***

<b>Hindering factors/forces</b>	<b>Facilitating factors/forces</b>
Entry of numerous small local traders reduces the profit margin. It also forces a few existing traders to exit from the market. (However, entry of numerous traders	Traders provide market linkages for poor producers.

<i>also indicates that there is space for more competition in this area.)</i>	
A lower margin at the level of the traders further reduces the margins at the level of the producers. This leads to less sustainable livelihoods of poor producers as their cost of production is not covered by the lower prices.	Their presence leads to bulk sales and saves time for the producer. Relieved of the responsibility of marketing his/her product s/he can devote more time to production.
	Interaction with traders provides a channel for market information to reach poor producers.
	Increased number of traders in the market indicates an increase in the total volume of trade.

### ***Bankers***

<b>Hindering factors/forces</b>	<b>Facilitating factors/forces</b>
Negative attitude of individual Bankers prevents people/SHGs from accessing banking facilities.	Positive attitude of individual Bankers promotes access to easy capital and benefits the poor.
Absence of NGO/Bank and lack of Bank-Government linkage prevents poor people from accessing banking facilities/credit facilities/Govt. supported schemes.	Bank strategy of financing SHGs.
Poor debt repayment prevents Banks from investing more on income generation schemes for poor people.	Banks' credit priority for agricultural activities presents an opportunity to farmers: to access more capital/increase investment and production/diversify production.
Inflexible government rules and regulations lead to problems in credit disbursement and make access to low interest capital difficult.	Willingness to finance off farm activities presents an opportunity to artisans/craftsmen/skilled persons.
Prevalence of touts in group financing hampers lending activities/makes financial transactions less transparent and creates distrust amongst the local populace.	

### ***Government Agencies/Organizations***

<b>Hindering factors/forces</b>	<b>Facilitating factors/forces</b>
Lack of intra and inter-departmental co-ordination adversely affects information flow to the poor and service delivery of Government schemes.	Multiple schemes for poor people, and large funds.

Lack of communication between NGO and Government extension workers/ departments prevents optimal access to information/Govt. schemes and other forms of assistance	Government has positive will and official mandate to improve status of the poor.
Availability of multiple schemes but weak information channels/service delivery mechanisms.	It has the largest network to reach the poor that extends from National to State and Local levels.

### **Interaction with Government Officials and Bankers**

At this point, the participants were joined by a number of invitees including Mr. Nanda Kumar, D.G., Administrative Training Institute, Mr. A.K. Sarkar, Principal Secretary, Department of Agriculture and Animal Husbandry, Govt. of Jharkhand, Mr. R.S. Nair, Zonal Manager, Bank of India and Mr. D.P. Dash, Assistant General Manager, NABARD. Members of the print and electronic media were also present in this session. Mr. Soumen Biswas from PRADAN released the press note.

The invitees were formally welcomed by Mr. Soumen Biswas of PRADAN. Ms. Bhavana Agarwal, KGVK, gave the invitees a brief update of the Workshop proceedings. Mr. A. N. Pandey, Gramika India, explained the concept of value chain to the invitees while Mr. Satyendra Kumar Singh, AAA, talked about the field-work experience of the participants the previous day. This was followed by a presentation and explanation of the value chain analysis as displayed in the charts by Ms. Jui Gupta, Trickle Up.

The invitees were then asked to share their experiences/vision for promoting LMD and ways in which they could contribute in the future.

#### ***Mr. R.S. Nair, Zonal Manager, Bank of India.***

He began by praising the analytical work of the participants. According to him and as pointed out by the participants, whether things worked or not, centred on the attitude of the individual Banker who was also the public face of any Bank. The public interface of Banks was very important as poor and deprived people were increasingly coming forward to interact with Banks. There was a need to *reject inferior service delivery* from Banks. He gave instances where managers had been transferred or enquiries conducted as a result of complaints received from customers.

In terms of its institutional focus, Bankers have realized that *financing the poor is a financially viable proposition* and the guidelines have become increasingly pro-poor. As a financial institution Bankers' priority lies in providing credit only after assessing the credit absorption capacity of a place and the *financial viability of a project*. For example, a Bank will not sanction 80 atta chakkis in a rural area because there will be no market for them. However, there is no problem in supporting profitable income generating activities. He also informed the participants that processing time for loan applications

varied depending upon the loan amount. For example, upto Rs. 50,000, it is two weeks; and four weeks for loans upto Rs. 2 lakh, etc.

Increasingly, Banks have realized that NGO support is critical in reaching out to the poor and ensuring timely repayment of dues. Banks were also looking beyond a one-off relationship to a process of *long-term handholding* in case of the poor and deprived masses. In fact, while speaking on the occasion of BOI's centenary celebrations, the Finance Minister said that as institutions responsible for the economic development of a Nation, Bankers needed to handhold five people: a *dalit*, an *artisan*, a *woman*, a *farmer* and a *poor student*. In turn, this will lead to the long-term development of a Nation.

***Mr. D.P. Dash, Assistant General Manager, NABARD.***

He refrained from discussing NABARD's role as most people were aware of the same. There was a need for factor analysis within the value chain so that there could be optimal allocation of scarce resources to the most critical areas. Similarly, interventions could be concentrated in priority areas. He also pointed out that *proper flow of market information was necessary for market change and diversification*. Picking up from the presentations, he pointed out that it was not enough to help people access markets (example: a number of people were now vegetable producers), it was also necessary to think of the technical know-how, *value addition* necessary to make their market entry sustainable (from vegetables to preserved food, processed foods, like sauce from tomatoes, etc.). While processors expected the Government to invest in infrastructure development in LMD, the exact nature of required infrastructure needed further articulation.

Keeping the traders' (retailers, wholesalers) need for market information, NABARD had promoted the concept of *agri-clinics*. NABARD also facilitated the *entry of unemployed agriculture graduates* into trading by becoming *agriculture input suppliers*. At the level of producers, NABARD *promoted SHGs and farmers' clubs* so that poor producers could access inputs, finance easily and get a better price for their products. At present, the focus was on group rather than individual financing as this was more sustainable and led to better returns.

Although *crop insurance* was available, insurance companies were unable to reach out to the farmers in Jharkhand, given the huge uncertainties that farmers faced. There was a need to work out strategies for providing such insurance in the future. There was also a need to promote *composite investment for livelihood development* as poor people made their living from various activities at various times of the year.

***Mr. A.K. Sarkar, Principal Secretary Department of Agriculture, Govt. of Jharkhand.***

The Government had multiple programmes, human resources and funds for promoting sustainable livelihoods for the poor. The problem, as already pointed out by the participants, lay in service delivery mechanism. As villagers/NGOs worked in isolation from Govt. officials at the Block and village level, they were not able to benefit from the Government schemes meant for the poor.

The Government needed and was open to suggestions of how to improve service delivery and even the kind of schemes that needed to be promoted to benefit poor people engaged both in agriculture and off-farm activities. The Government also needed to work in close co-ordination with NGOs to reach the poorest.

This year, the Government had also promoted a *soil health card scheme* to help the individual farmer understand the nutrients lacking in his land and the efforts required to improve it. In the past five years, the Government had also successfully promoted production of paddy seeds, 80% of which were produced and sold locally.

**Mr. T. Nanda Kumar, Director General, Sri Krishna Institute of Public Administration, Government of Jharkhand.**

The Government had a number of schemes for the poor but lacked the will to implement them properly. Secondly, schemes designed for one place were not necessarily applicable to other locations. The Government was open to designing new schemes provided that the subsidy desired was less, so that it was possible for the Ministry of Finance to pass it easily.

Referring to the value chain exercise, he said that it was important to look *downwards from the market, its opportunities and constraints* and therefore, what could be produced and marketed using available resources and skills. However, in most cases, NGOs preferred to look for marketing channels for existing produce of existing producers. This approach often led to a number of difficulties. A second approach could be to look at a *cluster of producers of a particular product in a particular area* with one large Company that would buy up the entire produce. For example, Kissan and tomato producers who supplied puree for making sauce, or Pepsi and potato producers who supplied the raw material for chips. The Company could then also help the farmers with technology, knowledge and input supplies necessary for producing the required quality of the product.

*Quality loss during transportation* was another important issue in the whole value chain. Giving the example of tomatoes, he said that earlier conventional forms of packaging (in boxes) tomatoes that formed the bottom two layers would be completely damaged by the time they reached the market. It then became necessary to think of new ways of packaging in trays so that the losses could be minimized and also think about when tomatoes should be plucked—when they were green or yellow, or when they were red.

There was a *need to redesign the APMC Act* and the bodies thereof so that these could become effective channels of market information. At present, these bodies were performing regulatory functions rather than working as marketing channels as envisaged originally. There was also a *need to privatize service delivery in agriculture*. To some extent, KVKS along with NGOs working in agriculture extension had already achieved this.

At present the *CM of Jharkhand/policy climate is also amenable to change*, and agriculture is a priority sector. As such, many constructive suggestions have been accepted. Hence, if the group present could also come up with new strategies, then these could be put up before the CM.

### **Questions and Comments**

**Comment:** There was a need to make Government schemes flexible. For example, the Govt. will supports piggery or poultry in a particular area but not duckery.

**Response:** At times Government schemes that are designed in a particular area are not applicable in another area. However, there is a certain logic for any of these schemes. Hence, a decision to support piggery or poultry is always preceded by a market calculation regarding their financial viability and appropriateness in a particular area.

**Comment:** There was a need for various actors like the Government, financial institutions, research institutions, NGOs or support organizations, etc., to work together on a common platform to search for more integrated solutions to the problems of poor producers.

**Response:** Keeping the above in view NABARD had started a radio programme for farmers, which was aired every Friday between 6:30 pm and 7:00 pm. Herein, Bank officials, Government officials and representatives of NABARD answer farmers' queries regarding various schemes, technology, information on insurance, etc.

**Comment:** The Government needed to make changes in the legal framework such as in the APMC Act in order to promote Rural Market Yard development.

**Response:** True. Only then poor producers will be able to access markets easily. At present, there is a 50% central subsidy to private players for Rural Market Yard development. However, the existing legal framework is restrictive and prevents this from happening.

The above discussion was followed by a formal vote of thanks to the invitees who left thereafter.

### **Presentation of Value Chain Analysis by Participants**

In the afternoon each group presented the charts they had prepared to the rest of the participants. This was followed by a discussion of the presentations and questions/ comments/clarifications regarding the same.

#### ***Vegetable Group***

##### **What was the scope for vegetable production in Jharkhand?**

The exact market for the same had not been assessed though Government officials had pointed out that Jharkhand had an excess vegetable production of 22 lakh tonne. Prices varied according to the production and market that was available at a given point in time. There was scope for production of organic vegetables given that most farmers were already engaged in organic farming by default. Legal limitations like a need for expensive international certification were, however, hampering the growth of this kind of production. Some countries, like Philippines, had got around these by setting local standards and had gone in for local certification, especially as the market was domestic. There was a high degree of awareness amongst farmers regarding vegetable production and they also had a desire to do so. The main hindering factor was lack of irrigation. Surface run off was high, ground water low, and drilling expensive, making it difficult for most small and marginal farmers to access irrigation facilities.

### **Can't NGOs work with traders given that many of them were facing excessive competition that was squeezing them out of the market?**

This was the view expressed by an old time trader. While there is merit in this view, more thought needs to be given on the subject. While competition forced out the smaller traders, more competition and lower margins also indicated a healthy market. Entry of numerous traders also indicated that there was enough space for smaller traders in this market and there was an increase in the overall volume of trade. Our intervention with traders needed to be such that the traders did not squeeze the producer when faced with lower margins. A participant also gave the example of Medinipur Poultry Distributors Association, which decided the price of poultry products each day, which was then published in the local newspapers. While this ensured that the traders did not lose out, it also ensured a fair price to the producers.

### **Poultry Group**

#### **Was direct selling by input suppliers harmful?**

Direct selling definitely had some advantages as it brought the input supplier in direct contact with the producer and reduced the time/effort needed to find inputs in the nearby markets. However, in the long run (in the experience of one participant), the producer tended to lose out by losing his place in the value chain, because it reduced their bargaining power.

#### **How far were producers' Cooperatives/Associations sustainable?**

Producers' Co-operatives had some definite advantages by providing a single window for accessing inputs, finance, technology, management, marketing point, etc. However, it also encouraged dependence amongst the producers. Secondly, these Co-operatives were largely supported by NGOs and could not run without the kind of long-term handholding that was provided to them. On their own, members of the Co-operative appeared to have little knowledge about Cooperative management and governance.

Another participant also felt that they could think of a situation where the Co-operative would be strong enough to employ the kind of professionals that it required for undertaking various functions effectively.

### **How far was poultry a viable livelihood option, given the low returns involved?**

From the interactions during fieldwork it appeared that a unit of 300 chicks provided only a meager income of Rs. 1,600-1,800 per cycle (excluding labour costs). Also, engaging in poultry throughout the year, led to a neglect of agriculture. Hence, this activity could become economically viable only when the unit was much bigger in size. Alternatively, there was a need to think of other complementary activities that a family could take up during the same time to gain a higher degree of income.

## **Day 5**

### **Evolving a Plan of Action**

Dr. Deepankar Roy pointed out that the combination of the facilitating and hindering forces kept the market in a state of quasi-static equilibrium. The next task was to identify ways in which some of these hindering forces could be reduced, or some of the facilitating forces enhanced, or simultaneously address both kinds of forces keeping in view the interest of the poor producers.

#### **Task:**

Participants were asked to come up with 6-8 action points that could be implemented over a period of 6 months to 1 ½ years (say).

Also identify the actors who will be responsible for implementing these action points.

#### **Method**

The poultry and vegetable groups were divided into two sub-groups to work on the aforementioned tasks. Two representatives from each group were asked to form a circle in the middle of the room and present their group's thoughts to the rest of the group. Each presentation was followed by a round of discussion/questions/comments.

#### **Output**

#### **Group I**

<b>Task</b>	<b>Actor</b>
Conduct value chain analysis and share it with the target group	NGO, Bankers, Govt. officials, members of civil society
Conduct workshop on findings of the former and the need for fair profit sharing in the value chain (especially with respect	Apex body of NGOs, Govt.

to producers) with producers, traders, bankers, Govt. officials.	
Promote concept of urban haat.	State Govt, other relevant actors.
Improve/acquire expertise in LMD and marketing within NGOs.	NGO.
Ensure proper and adequate follow up and utility checks after loan processing takes place.	Bankers, NGO.
Create awareness on Govt/bank schemes for poor.	Bank, Govt, NGO.
Promote crop insurance schemes.	Insurance companies.
Prevent harassment of truckers while transporting goods (especially perishable products).	
Understand cooperative functioning and Cooperative laws.	Govt, NGO, Co-operatives.

## Group II

Task	Actor
Disseminate scientific crop production and crop management techniques.	Agriculture university, Govt, CBO.
Empower and promote SHGs.	CBOs, Bank, Govt.
Develop common action platform for Govt, NGOs/CBOs.	NGO.
Promote various Govt. schemes.	Govt.
Sensitize suppliers to ensure supply of quality agriculture input.	CBOs.
Sensitize bankers regarding credit requirement and repayment capabilities of SHGs.	CBOs.
Initiate producers' co-operatives.	CBOs.

## Group III

Task	Actor
Establish information systems for providing marketing and technical support.	Facilitating agencies (FA), PRIs.
Organize producers into institutional form.	FAs, Govt, community.
Promote sustained quality handholding in institution building.	NGOs.
Establish linkages with Govt and financial institutions.	FAs, Govt, financial institutions.
Adopt cluster approach to benefit from economies of scale.	Community, FAs.
Identify demand-supply gaps in market and	Community, FAs.

intervene accordingly.	
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#### Group IV

Task	Actor
Undertake policy advocacy to prevent single trader monopoly and strengthen Bazaar Samiti.	NGO, Govt.
Engage in entrepreneurship development.	NGO, community, bank, Govt.
Build a common forum for producer associations.	Community, bank, Govt.
Ensure effective service delivery of Govt. supported schemes.	Bank, Govt.
Build capacities of involved personnel through technology support and management training.	NGO, Govt, Bank.
Develop management information system.	NGO, community, traders, producers, Govt.

Using a fishbowl exercise, facilitators asked the representative group sitting in the center of the room to consolidate the outputs of all the four sub-groups in 6-8 points. They were also free to add, omit or alter any of the points made. The remaining participants were asked to observe the proceedings of this group. If any of them wished to make a point, they were asked to do so from the empty chair in the representative group. Members of the representative group were free to accept or reject the given input. They were, however, not allowed to contradict or argue with the person who gave the input.

#### Overall Recommendations of Participants

Task	Actor
Identify sub-sectors in the market based on an analysis of demand and supply gaps.	NGO.
Promote linkages with Government, Banks and financial institutions.	NGOs, CBOs.
Develop a common platform/center for information dissemination.	NGOs, Banks.
Improve production management.	NGOs, Government, research institutions.
Strengthen and enhance existing local markets.	Bank, NGOs, Government.
Develop a roadmap for LMD from panchayat to block and district levels.	NGO, Government.
PRADAN and Badlao Foundation to take steps to initiate these processes.	

Presentation of these points by the representative group was followed by a discussion in which participants requested for clarifications regarding some of these points. Participants also felt that while PRADAN and Badlao Foundation had been asked to

initiate a follow-up process, there were ways in which members present at the Workshop could themselves contribute to the process of LMD. Assuming that both PRADAN and Badlao Foundation would be part of any future initiatives, a Forum was formed that would take the issue forward.

The Forum included representatives of the following organizations:

Mr. Shishir Ranjan	Basix—Coordinator for the first meeting	Ranchi.
Ms Bhawna Agarwal	KGVK	Ranchi.
Ms. Urmii Ray	NEEDS	Deoghar.
Mr. Palash	Agragati	Hazaribagh.
Mr. Satyendra Kumar Singh	Agrarian Assistance Association	Dumka.
Mr. Pankaj Kr. Singh	Jan Jagran Kendra	Hazaribagh.
Mr. Nanda Lal Bakshi	Tagore Society for Rural Development	Kolkata, West Bengal.
Mr. A.N. Pandey	Gramika India	Giridih.
Mr. Samrat Sengupta	Society for Rural Industrialisation	Ranchi.
Mr. Madhav Kumar Das	Lok Prerana	Deoghar.
Fr. Prabhat	CRS	Patna.
Mr. Vivek Roy	AROUSE	Gumla.

This Forum of volunteers decided to hold their first meeting on Saturday, December 17, 2005, at the Basix office to chalk out the tasks ahead and the roles and responsibilities of the members. It would also identify needs and capacity building requirements of participants in supporting LMD.

The Workshop concluded with an Evaluation of the Workshop and a vote of thanks from the organizers as well as the participants.