# Value Chain Analysis of Vegetable in Bajranga Farmers Producer Company

# (with special reference Laikera Block of Jharsuguda District, Odisha)

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MBA RM - 06

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# Introduction of the Study

- Social Education for Women’s Awareness (SEWA) is non -governmental development organisation.
- SEWA  Main focus is on livelihood, Natural Resource Management, Watershed Development, Sanitation & Hygiene Promotion, Self-governance and gender equity. Its aim is to therefore create an opportunity for these people to be included in a world that they have largely been left out from.
- This  study was done to understand the structure of FPO and how farmers are benefited by FPO. To understand the relation between Farmer, Mandi and retailers. This study was done to understand benefit ratio of framers and retailers. Uses of fertilizers and seeds in agriculture land and ratio of the production. Also do market linkages work for farmers.

# Review of Literature

- Adhikari, R. P., Collins, R., & Sun, X. (2012). Segmenting consumers to inform agri-food chain development in Nepal. Resulting policy recommendation provide examples to how a value chain centric approach could be used to highlight innovative policy solutions to MPCs' agri-food export sector, for instance, dis- seminating consumer information to relevant stakeholders and incentivising investment in supply chain activities that add value for consumers.
- Fearne et al., 2012 – Scope of value considered in the analysis of value chain, it is important to look into the source and beneficiaries of the value create by the chain. While it is essential to focus on customer value, there is need for value chain analysis to be more dynamic and explore how activities and attributes affect consumer behaviour, since individual customers evaluate a product's attributes differently.

- Abecassis-Moedas, 2006 – He classify value chain is in terms of who drives the chain: buyer-driven chains versus producer-driven chains. Buyer- driven chains are common in labour-intensive, consumer goods industries where large retailers, merchandisers and trading companies play a central role in establishing production networks usually in developing (exporting) countries; while producer-driven chains are characteristic of capital – intensive and technology-oriented industries dominated by large transnational corporations which play a key role in managing the production networks.

- Hellin and Meijer, 2006 – value chain analysis requires the "mapping of the market" to track and analyse the contribution of the different chain actors and the relationships among themselves.

# Objective of Study

- To understand the issues and challenges of farmers.
- To access market linkages to develop value chain for the FPO.

# Limitation of the Study

I get an opportunity of 50 days in field area; hence I couldn’t able to catch other exhaustive data and resources for my study.

Farmers don’t have time due to the season of wheat production.

Due to bad road connectivity it took more time to reach at field.

Language barrier farmers are talking only in Oriya.

# Methodology and Design

- Study Type : Descriptive Study
- Study Area : 6 village of Laikera Block ( 91 Village total ) Laikera Block, Jharsuguda

(village name – Sunamal, Muradipali, Rautbahal, Babuchipidihi, Bhamardih, Banki)

- Sample Size : 100 Farmers
- Sampling Technique : Multi – Stage sampling
- Data Collection Method : In- depth interviews (50) and Focus Group Discussion with FIGs (15)

| Particulars | Sample Size |
|---|---|
| Farmers | 100 |
| Traders (Mandi) | 15 |
| Supermarkets | 3 |

# Introduction of the Block

- Laikera is the one of the major production area of tomato, Cabbage, Colliflower, Chilli, Brinjal and Paddy etc.
- All production goes in these Mandi.
- Local ----> Laikera ----> Jharsuguda Market -→ Near District Mandi

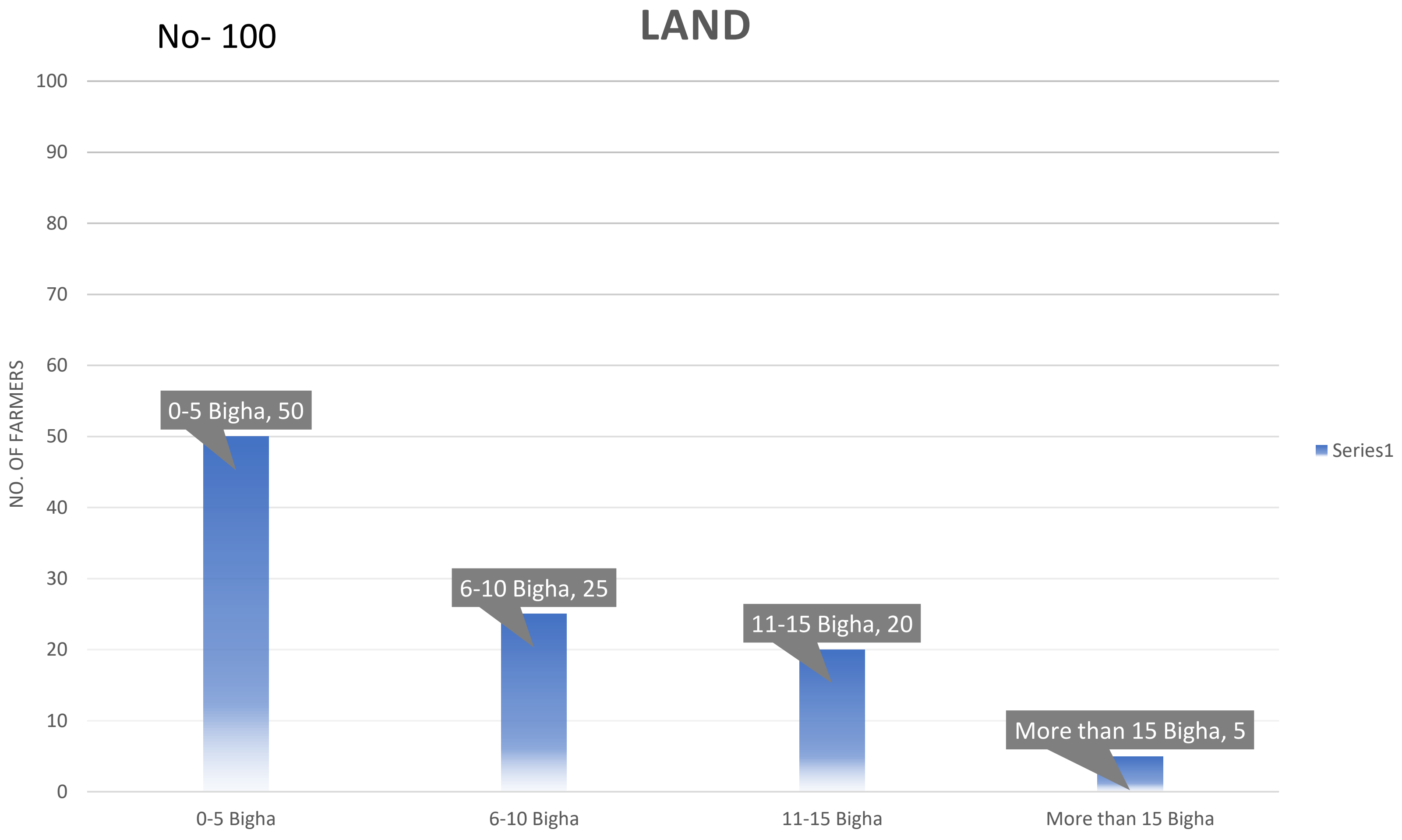
Producer – Consumer

Producer – Retailer – Consumer

Producer – Wholesalers – Retailer – Consumer

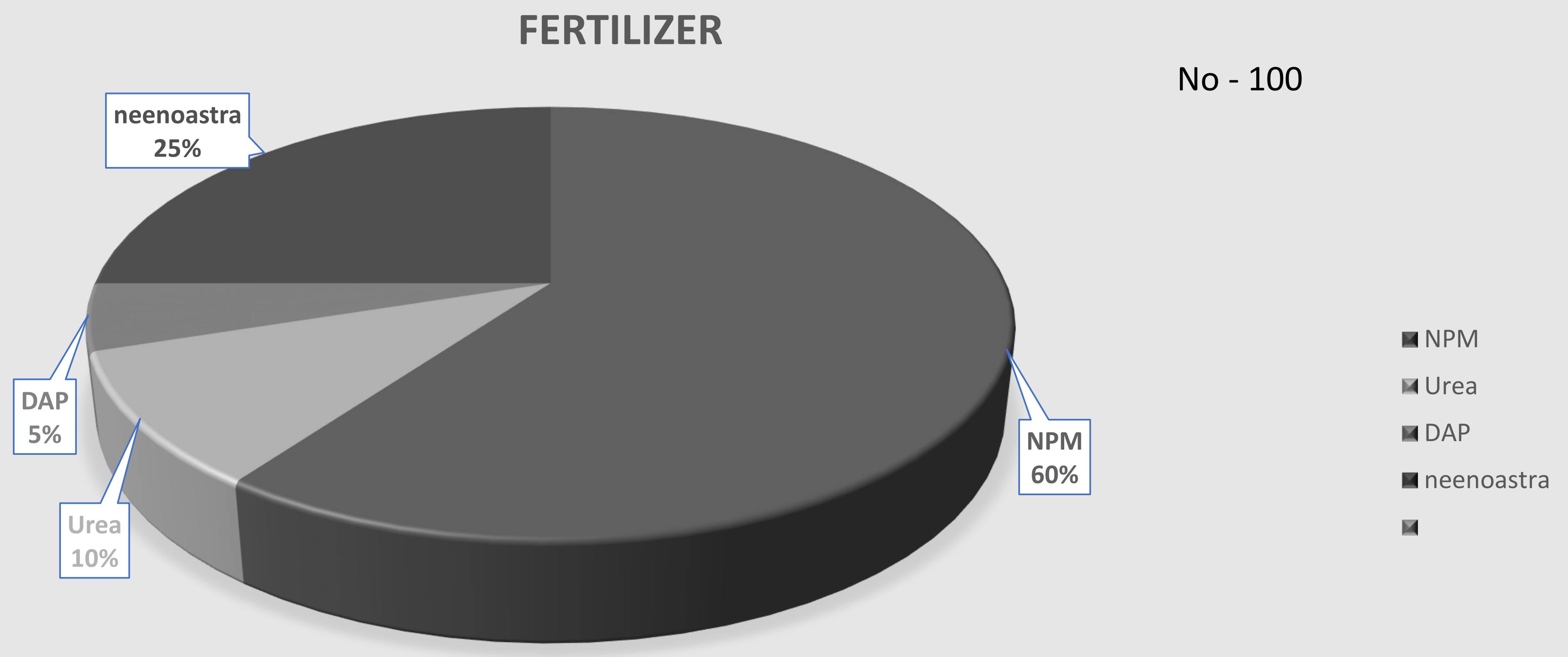
Producer – Commission agent – Retailer - Consumer

# Data Analysis and Interpretation



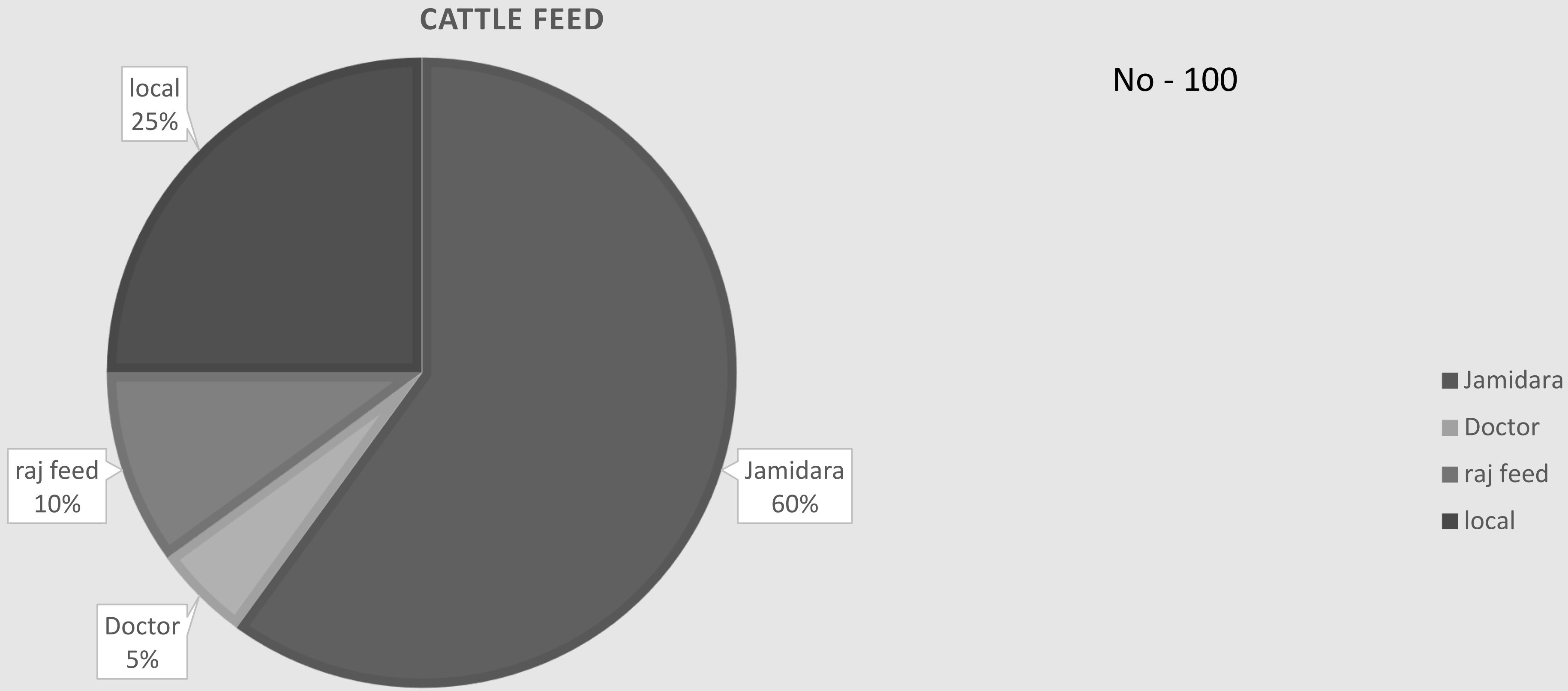

- 50 farmers have only 0-5 Bigha land, 25 farmers have 6-10 Bigha land, 20 farmers have 11-15 Bigha land and only 5 farmers have a more than 15 Bigha land

# Figure No. 1



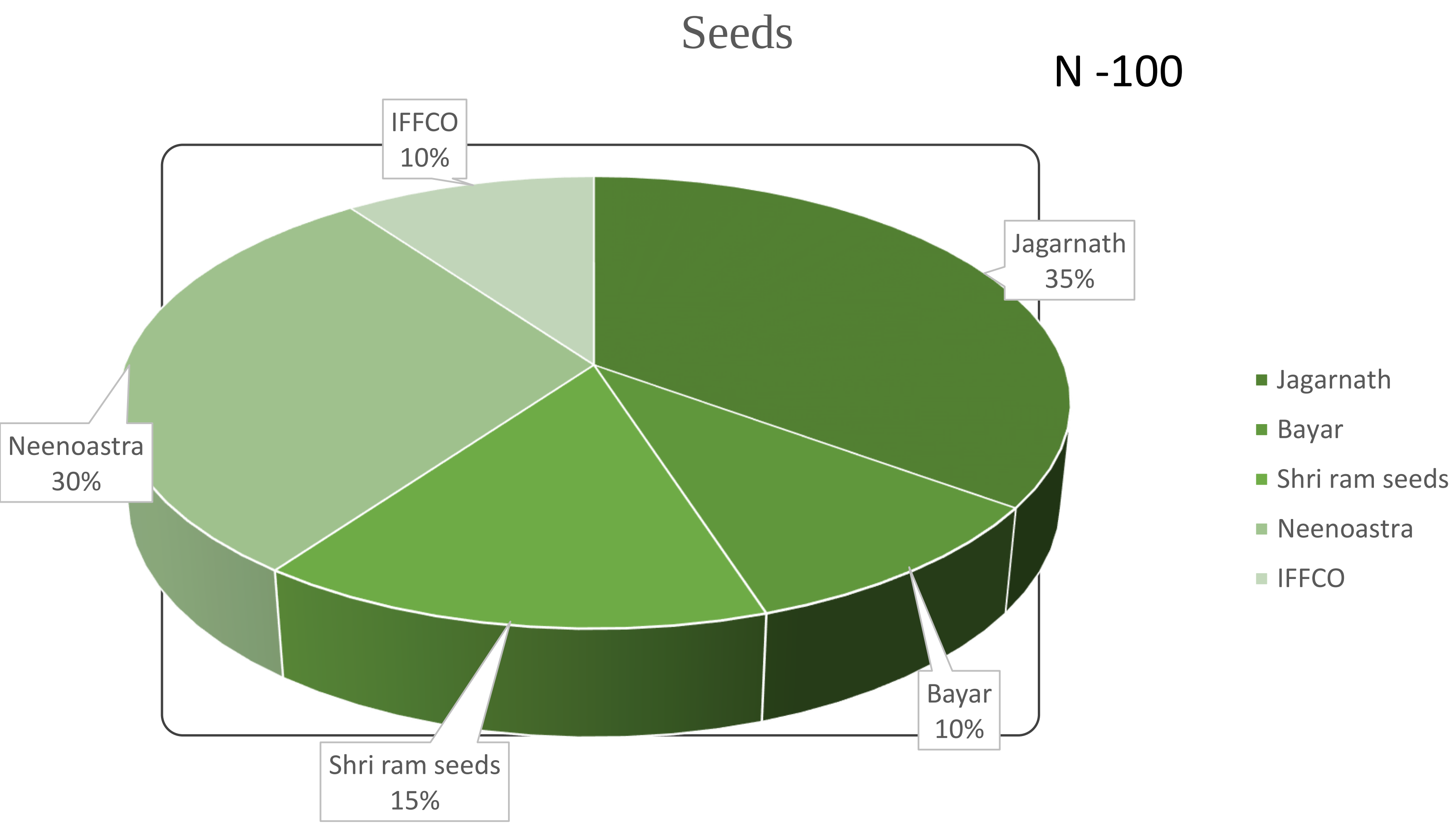

Above chart show  the 60 % of total respondent use the NPM fertilizer because it's a very useful for increase in production, 10% use Urea fertilizer, 5%  use DAP because it's a chemical fertilizer  and costly that is the reason very few people use . And 25% farmers use neenoastra  it's also organic fertilizer .

# Figure No. 2




Above chart show the 60% of total respondent use Jamidara cattle feed because it's very useful for increase in production of milk, 5% of total respondent use doctor feeds, 10% of total respondent raj feeds, 25% of total respondent use local feeds that is available in market due to cheap rates of feeds.

# Figure no. 3

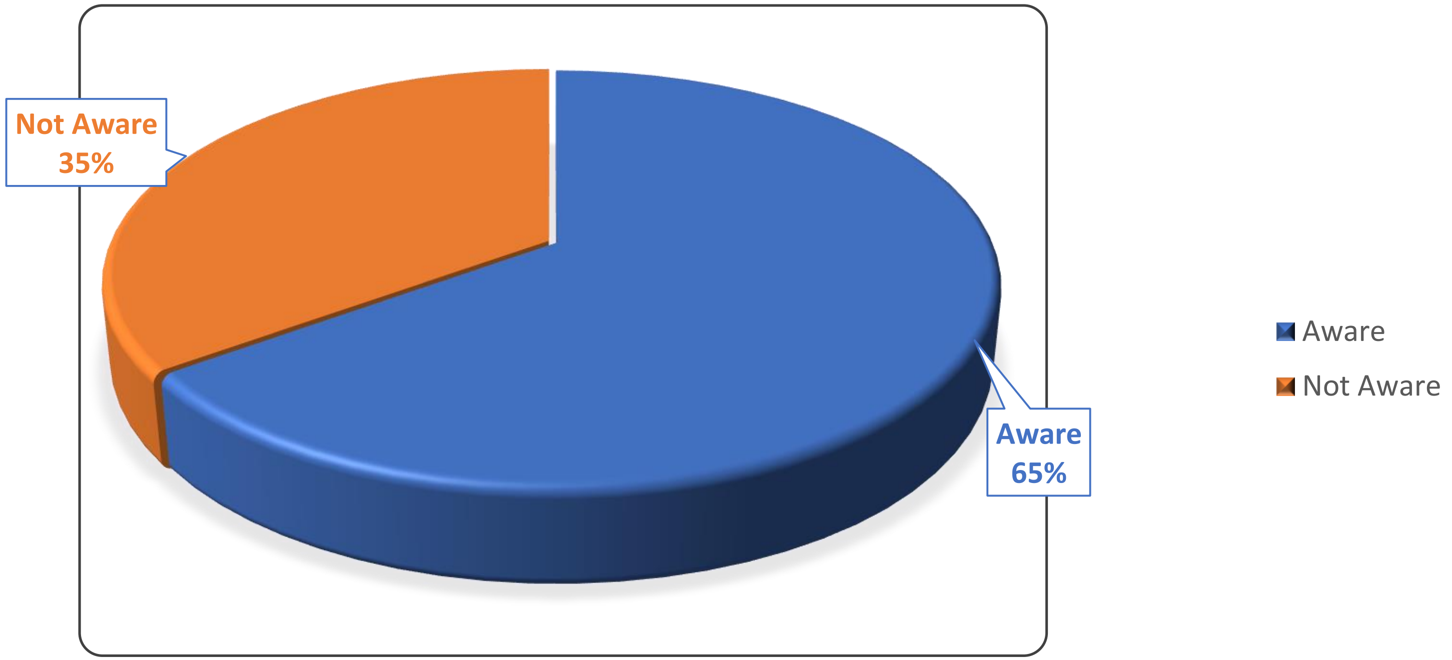



- Above chart show the 35% of total respondent use Jagarnath seeds and 30% of total respondent use Neenoastra seeds both seeds available in local market and price is low. Peoples are like for use this seed. 15% of total respondent use Shri ram seeds, 10 % of total respondent use IFFCO, and 10% of total respondent use Bayar seeds.

# Figure no. 4

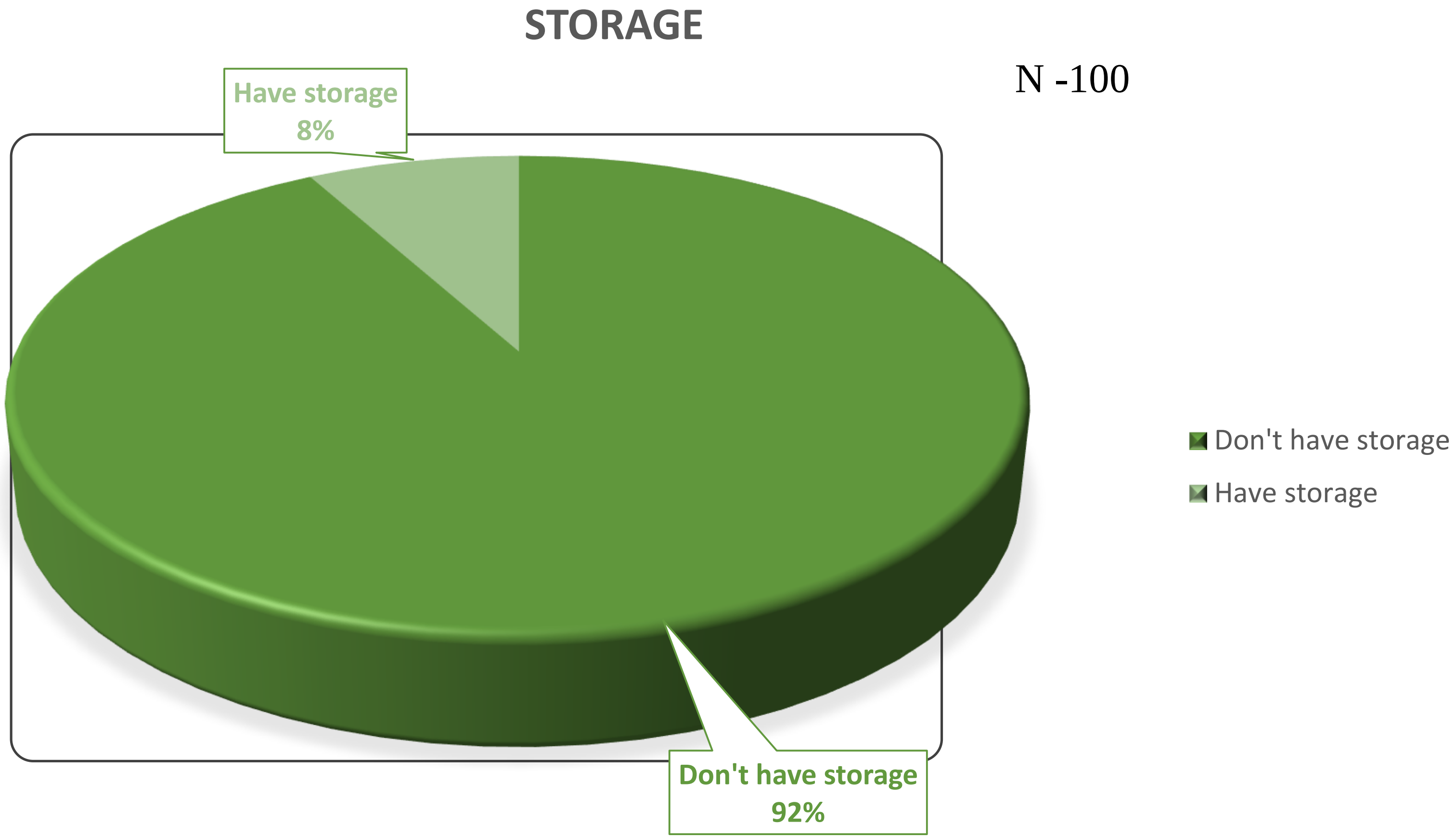
## AWARENESS OF THE MARKET PRICE

N - 100



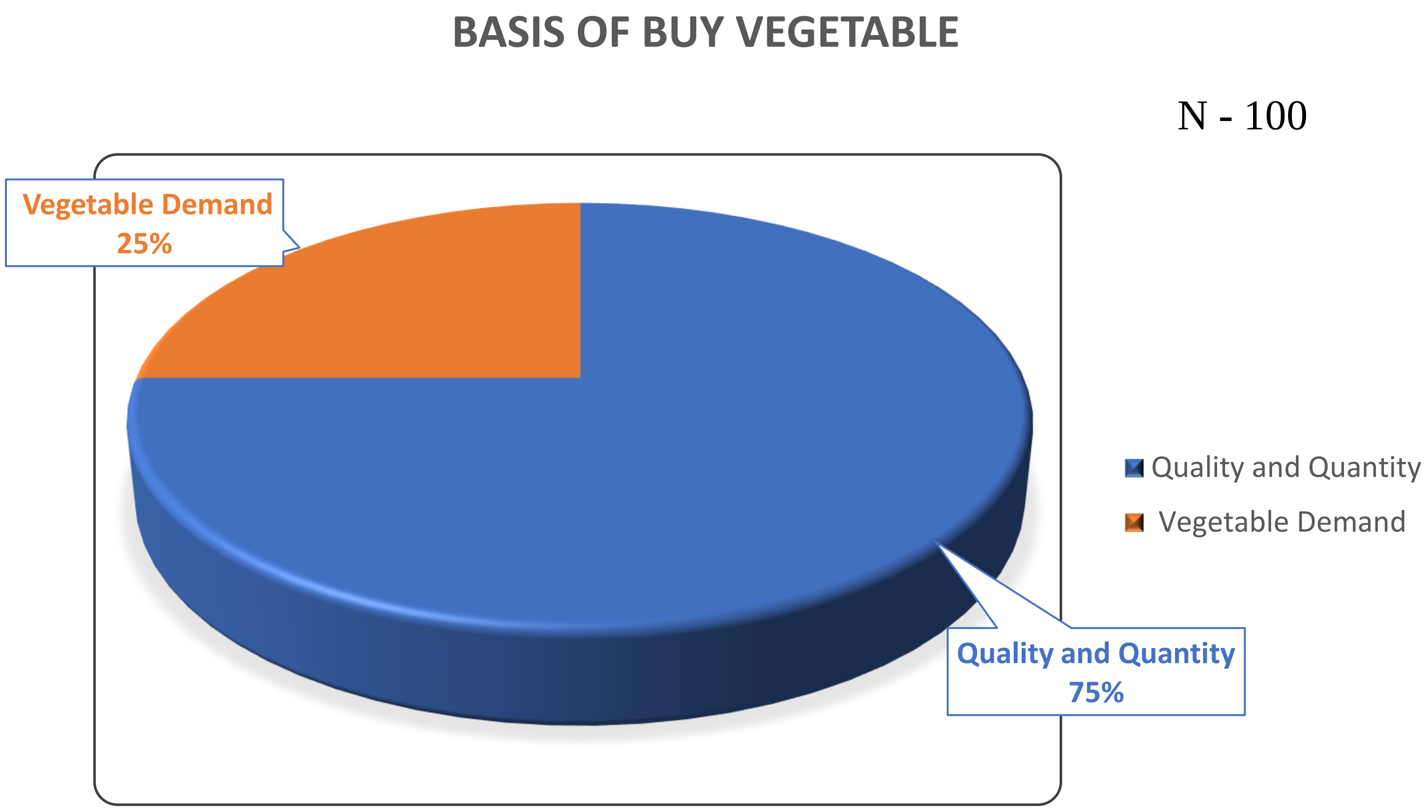

- 65% farmers are aware about all market price of vegetables. These types of farmer sell their vegetables in a local market and 35% farmers don't know about all market price of vegetable. So, if farmer think that difference of price is small, so they sell in local market or if they think that the margin of profit is big, so they sell vegetables in others market. And mostly farmer don't have a transport facility so have to sell vegetables in local market despite knowing market price of vegetables.

# Figure no. 5



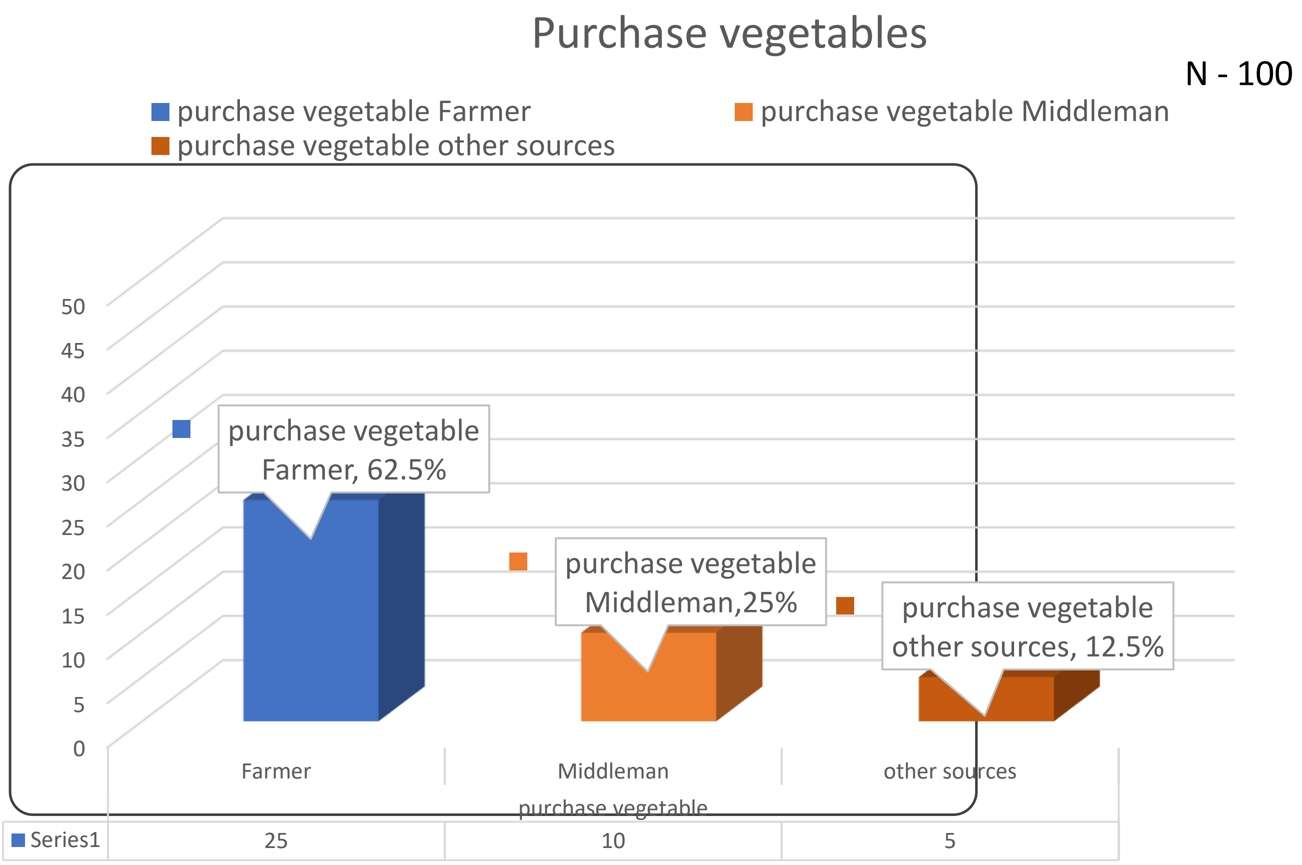

- 92% farmer don’t have any proper storage facility and 8% having proper storage facility. Many farmers use traditional storage system that’s why they do not make a proper storage system. Land holding and production is also one of the reasons for it. Only few have proper storage system.

# Figure no. 6




- 30 traders buy vegetable on basis of quality and quantity because quality vegetables they can maintain for long period.
- Only 10 traders buy vegetables on basis of demand of vegetable because if demand of vegetables is high so they can sell their vegetables earlier and if demand of vegetable of low, they don't buy that vegetables.
- These traders also say that many thinks also influence us to buy vegetables like session of vegetables types of vegetables etc.

# Figure no. 7

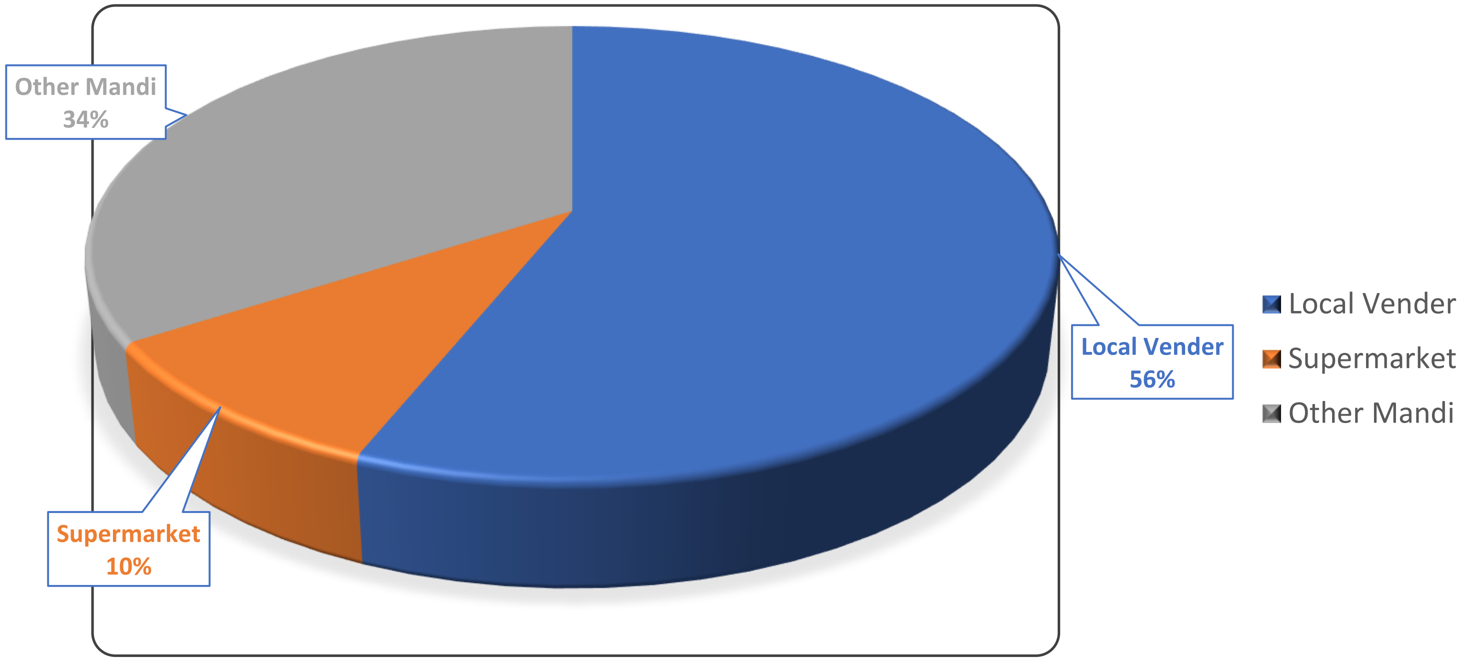



- 62.5%(25) traders buy vegetable from farmers and 25% (10) traders buy vegetables from middleman are those who buy take vegetables small farmer and sell it to traders and 12.5% (5) traders choose other source to buy vegetable like direct selling etc.

# Figure no. 8

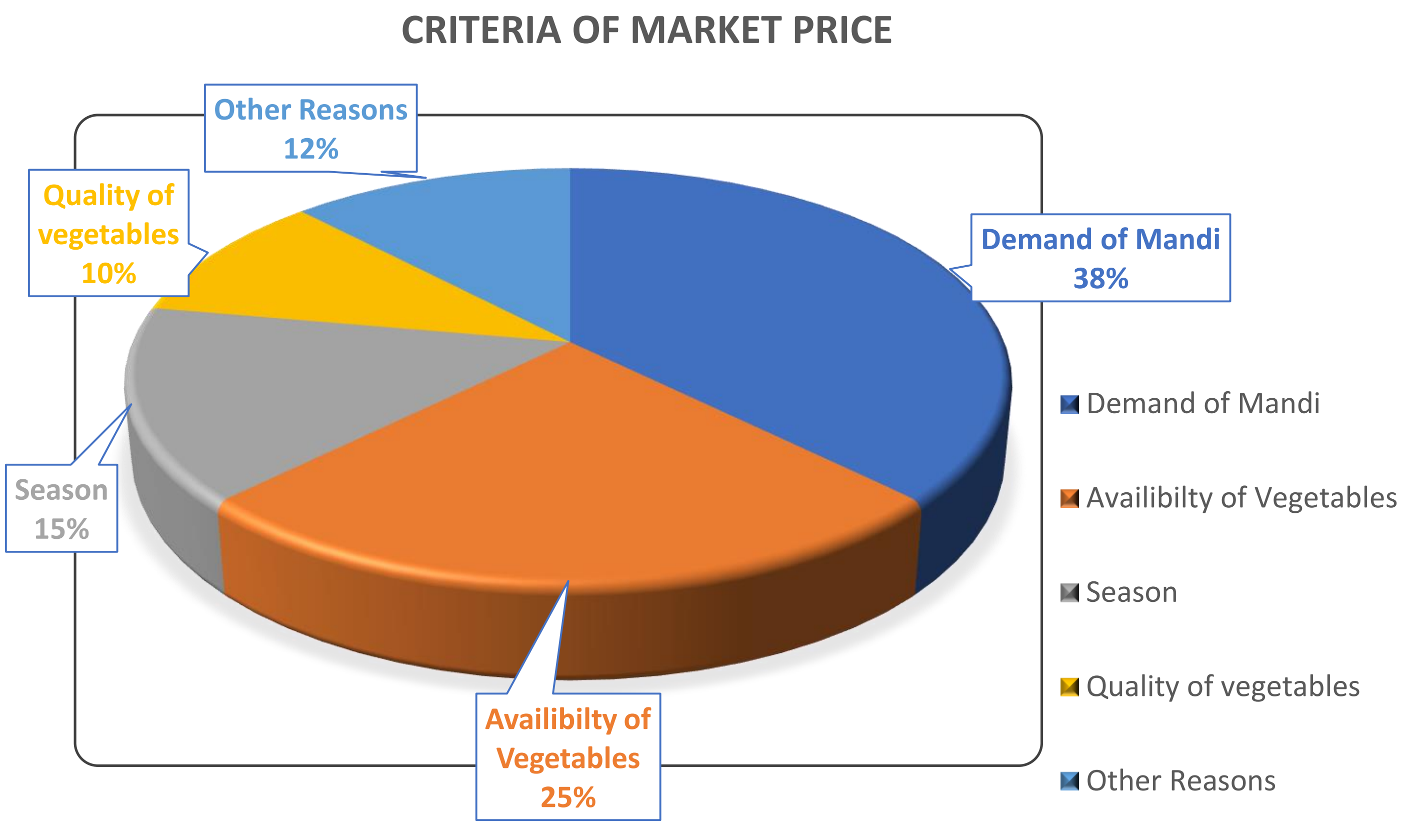
## SUPPLY VEGETABLES

N -100




- 56 % (23) traders  sales vegetable to local vender and local vender sell to consumer that kind value chain system increases market price of vegetables.
- 10 % (4) traders sale vegetables to supermarket like easy day reliance fresh etc.
- And 34% (14) traders sale vegetables to mandi. Traders have a direct link other mandi, so they have a well knowledge about market price of vegetable.

# Figure no. 9



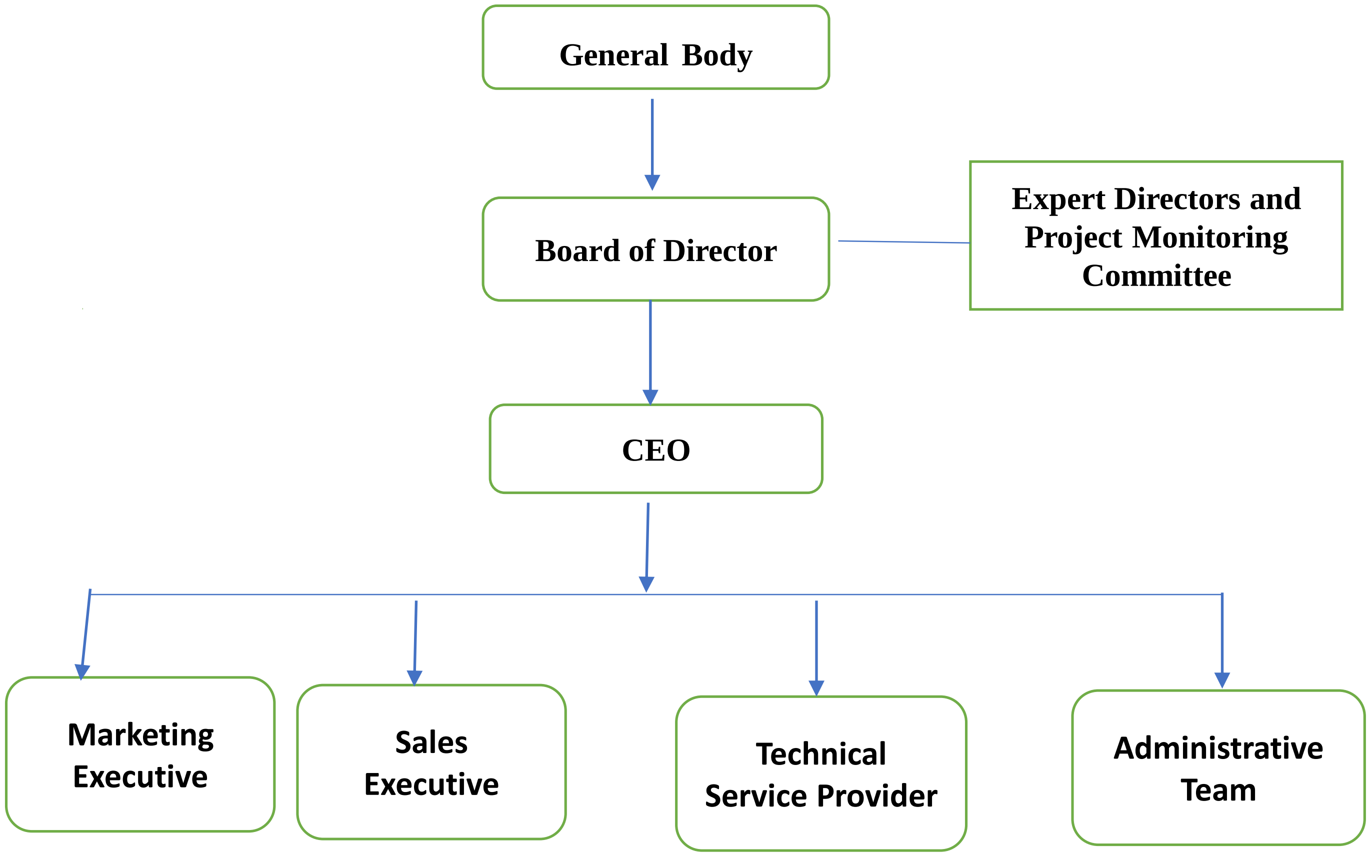

- 38% traders say Demand of mandi is a one of the main reason for setting a price of vegetables.
- 25 % farmers say depend on availability of vegetables in the market is also a main cause of setting a market price.
- 15% farmers say it's depended on season.
- 10 % traders say quality of vegetables is also a reason of price setting
- And 12% farmers says there is other reason for price setting of vegetables.

# Figure no. 10

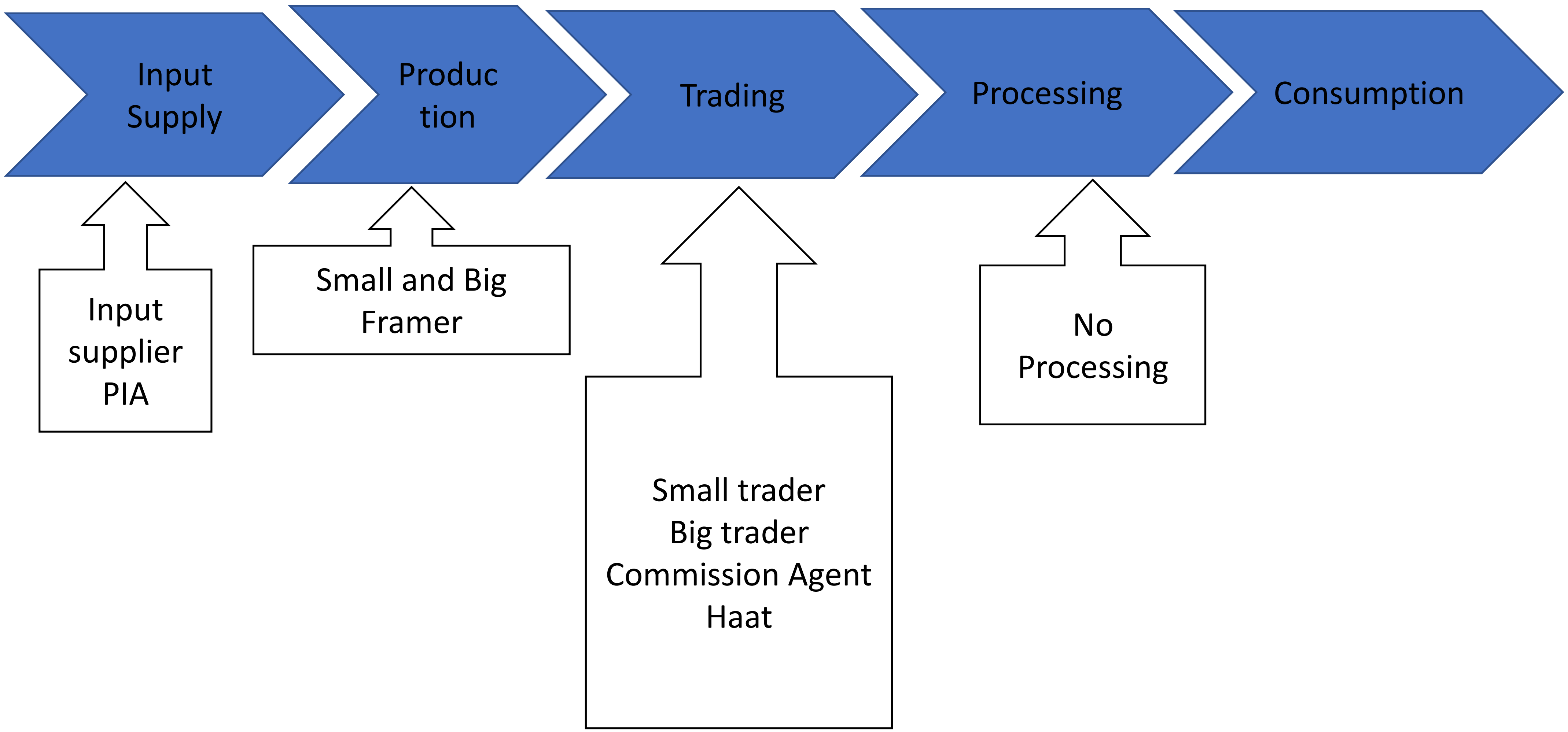
# problems and Issues face by Farmers

- High Transportation Cost
- Irrigation System not good
- Low Market price
- Lack of knowledge about grading system
- Input cost is higher and production is not good
- Lack of knowledge about government scheme
- Small farmers do not have reach to mandis
- Post harvest packaging issues
- Low storage capacity in small mandis

- Structure of FPO



# Value Chain



Input Supply
Produc tion
Trading
Processing
Consumption
Input supplier PIA
Small and Big Framer
Small trader
Big trader
Commission Agent
Haat
No Processing

## Present Working Strategy of FPO

- Provide seeds and fertilizers in low price compare than market.
- Provide knowledge about crops according to soil type and water availability.
- Provide awareness to farmers about govt. scheme.
- Grading of production by farmers
- Farmer linkage with mandis.
- Training programs for farmers about cropping pattern
- Provide knowledge about seeds and fertilizer
- Provide benefit of drip irrigation system
- Provide cattle feed to farmers in low cost

Future working strategy of FPO

## Future working strategy of FPO

- Work on organic farming
- Working on horticulture farming
- Provide organic cattle feed to farmers
- Farmers linkage with big mandis
- Linkages with input suppliers

# Interaction with Mandi Traders

I ask many questions to license holders

- Is there any difference between mandi to mandi?

  There is only slight difference in price between different mandi. They told me if farmers sell their vegetables in big mandi such as Jharsuguda mandi, Laikera mandi  they can take advantage of extra money.

- What is role of mandi traders ?

  They have good network with the other traders, and they are only one who provide good market to farmers with good price and license holder not take any extra charges from farmer?

- Do you share any information about vegetable price, and about your traders?

  They are not interested to share any information regarding market price and about their traders to the farmers because farmers can directly sell their vegetables to the trader and license holder can bear loss.

- How many traders in this Mandi ?

  In Laikera Mandi there is 10-15 traders.

  In Jharsuguda Mandi 20-25 traders.

  In village mandi there is 30 – 40 traders.

# Major Findings

- Many farmers sell their vegetable in local market they don’t have any idea about market price of near city or state.
- Farmers is not interested to give rupee of share capital.
- There is a competition because many big farmers have direct contact to farmers so, they sell their vegetable directly.
- Do not have about soil and water testing.
- Seeds quality is not good.
- Lack of knowledge about market price.
- No availability of storage system.

# Suggestions

SEWA should start FPO in every cluster because the distance of every cluster is too far .

Transport is a main issue only few people have a personal vehicle. So, firstly we have to arrange transport facility so that every  farmer carry their vegetables and bring it together.

Facilitate linkage with Big traders and firm like reliance fresh, big bazaar and some vegetables industry.  We  can supply vegetable to them.

500 -1000 rupees for share capital is big amount for a farmer. It should be divided to many instalments, so that every farmer can give us 500 – 1000 rupees on an instalment basis.

Cabbage, Colliflower, Chilli , brinjal ,and tomato are main vegetables of this block so we have mainly focus on these vegetable.

Generate Awareness among of members of FPO about benefits of share capital.

# Conclusions

SEWA facilitate  Bajaranga Framers Producer Company Limited (BFPCL) in Laikera block, FPO is organisation of 118 farmer where 10 farmers are board of member and every farmer have to a give 500 -1000 rupees for becoming a member of FPO. Main work of FPO is to provide a good market to the farmer where they can sell their vegetables and earn more profit and also provide fertilizer, pesticides and seed on minimum price.

My work is to make a viable business plan, under my project. Firstly, I interacted to the farmer and ask many questions regarding there working condition, crop, and about vegetables. Under my study I found that Laikera Block is a hub of vegetable

# Thank You