

Value Chain Analysis of Vegetables in Chomu Veg Agro
Producer Company, Chomu Cluster and Develop a Viable
Business Plan

By

Virendra Kumar Gurjar

*Dissertation submitted for the partial fulfillment of the
MBA Rural Management*

Academic year, 2016-2018



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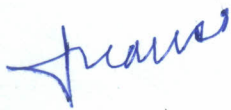
TO THE CONCERNED

This is to certify that **Virendra Kumar Gurjar** of MBA Rural Management from
The IIHMR University, Jaipur has undergone internship training at Access Development
Services Jaipur from **15th Feb 2018 to 04th April 2018**.

The Candidate has successfully carried out the study designated to him during Dissertation
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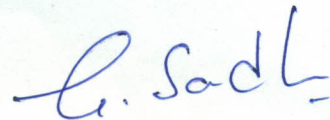
I wish him all success in all his future endeavors.



Dr (Col) Ashok Kaushik

Dean, Academics and Student Affairs

The IIHMR University, Jaipur



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ACCESS Development Services

This certificate is awarded to

Mr. VIRENDRA KUMAR GURJAR

In recognition of having successfully completed his dissertation in

Access Development Services, Jaipur

And has successfully completed his study on

**“Value chain analysis of Vegetables in Chomu Veg Agro Producer
Company, Chomu Cluster and develop a viable business plan.”**

Duration of one and half months (15 February 2018 – 04 April 2018)

Organisation:-

Access Development Services, Jaipur

He comes across as a committed, sincere & diligent person who has a strong drive and

Zeal for learning.

I wish him all the best for future endeavours.

Ashish Mahipal

District Program Coordinator

Access Development Services, Jaipur.



CERTIFICATE BY SCHOLAR

This is to certify that the dissertation **"VALUE CHAIN ANALYSIS OF VEGETABLE IN CHOMU VEG-AGRO PRODUCER COMPANY CHOMU CLUSTER AND DEVELOP[VIABLE BUSINESS PLAN FOR THEM"** submitted by **Virendra Kumar Gurjar** under the supervision of **Dr.Goutam Sadhu** for award of MBA in Rural Management of the University carried out during the period from **15th FEBRUARY 2018** to **04th APRIL 2018** embodies my original work and has not formed the basis for the award of any degree, diploma associate ship, fellowship, titles in this or any other institute or other similar institution of higher learning.



Signature

THE IIMMR UNIVERSITY

CERTIFICATE BY SCHOLAR

This is to certify that all ethical issues have been considered while collecting data for my dissertation titled “VALUE CHAIN ANALYSIS OF VEGETABLE IN CHOMU VEG-AGRO PRODUCER COMPANY- CHOMU CLUSTER AND DEVELOP VIABLE BUSINESS PLAN FOR THEM”



Signature of student

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Executive summery

Title: “Value chain analysis of Vegetables in Chomu Veg Agro Producer Company, Chomu Cluster and develop a viable business plan for them.”

This paper mainly focuses a vegetable supply chain network and the other divisional market of Chomu , Jaipur, famous for their fresh quality green vegetables.

In the Chomu vast amount of vegetable produce, so that Farmer can provide vegetable for another district. In the supply chain of vegetable trading, different intermediary stakeholder is involved between producer and consumer. They are the local wholesaler, divisional wholesaler, the regional wholesaler, and retailer. These intermediary stakeholders create a long supply chain. Intermediaries are an essential part of a vegetable supply chain. They share profit with the producer without adding any value to the product. Their main function is transporting vegetables and keeps business communication with other market actors. At present, farmers have no influence in product pricing rather they are strongly managed and monopolized by giant traders, wholesalers, and retailer syndicate and they take the profitability and preference of farmers. But farmers in Chomu cannot avoid intermediaries’ for shifting their product to market. As a result, the consumer doesn’t get the product at an affordable price. The consumer pays two to three times more than the farmer’s price. This paper tries to show and explain the vegetable supply chain by conducting value stream analysis, cost and profit flow analysis and cause- effect analysis to identify non-value adding activities and the causes of the price hike. Besides this, it’s recommended some appropriate policy and design a future value chain to overcome these barriers and constraint of the present supply chain. So, that the farmer and the consumer both are benefited. Value and chain are two key concepts of the study of value chain analysis. Value means value added in the value stream analysis, as it characterizes the incremental value of a final product from the processing of a product. For agro products’ value addition can be express as production, food safety, and food quality. The price of the product shows its incremental value. Chain refers to the process and stakeholder involve in the cycle of a product. Value chain analysis is a strategic tool used to analyze internal activities of a process. The true goal of VCA is to identify which activities are most valuable and which need to improve, need to minimize to

provide competitive advantages. The study of value chains comprises of two key concepts: value and chain. The term value is synonymous to “value added” in the Value Chain Analysis (VCA) as it characterizes the incremental value of a resultant product produced from the processing of a product. VCA as “study of the full range of activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final consumers, and final disposal after use”. The movement of a product from one stage to another and identification of the actors, firms and their services, also adds an analysis of the institutional support to production at various stages to VCA. Hence, food VCA (FVCA) stands on the pillars of production, processing and marketing of food products. performance measures to assess the success of supply chains, used four criteria, including efficiency, flexibility, responsiveness, and food quality to assess the performance of value chains. Efficiency points to the utilization of resources in the supply chain and its measures include production costs, profit, return on investment and inventory. Flexibility indicates the degree of responsiveness of the supply chain to a changing environment and is measured through customer satisfaction, volume flexibility, delivery flexibility, and lost sales. Responsiveness shows the time spent in the fulfillment of a request and is measured through fill rate, product lateness, customer response time, lead-time, shipping errors, and customer complaints.

ACKNOWLEDGEMENT

The Dissertation opportunity I had with Access Development Services Jaipur, Rajasthan was a great chance for learning and professional development. Therefore I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this dissertation period.

I am using this opportunity to express my deepest gratitude and special thanks to Mr. Surendra Verdiya, Vice president of Access development Services who in spite of being extraordinarily busy with his duties, took time out to hear, guide and keep me on the correct path and allowing me to carry out my dissertation.

I express my deepest thanks to Dr. Goutam Sadhu, professor and dean in charge IIHMR University and my mentor for giving necessary advices and guidance to make this research easier. I choose this moment to acknowledge their contribution gratefully.

It is my radiant sentiment to place on record my best regards, deepest sense of gratitude to, Mr. , Ashish Mahipal for his careful and precious guidance, love and support which were extremely valuable for both theoretically and practically. Last but not the least I wish to thank my colleagues for their immense support and guidance.

I perceive this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work on their improvement, in order to attain desired career objectives. Hope to continue cooperation with all of you in the future,

Sincerely

Virendra Kumar Gurjar

Student- MBA

ABBREVIATIONS

FPOs- Farmer producer Organizations

FIGs- Farmer Intrest Group

Introduction

Agricultural value chain concept is the idea of actors connected along a chain producing and delivering goods to consumers through a sequence of activities. However, this “vertical” chain cannot function in isolation and an important aspect of the value chain approach is that it also considers “horizontal” impacts on the chain, such as input and finance provision, extension support and the general enabling environment. The approach has been found useful, particularly by donors, in that it has resulted in a consideration of all those factors impacting on the ability of farmers to access markets profitably, leading to a broader range of chain interventions. It is used both for upgrading existing chains and for donors to identify market opportunities for small farmers. The term was adopted for agricultural development purposes and has now become very much in vogue among those working in this field, with an increasing number of bilateral and multilateral aid organizations using it to guide their development interventions .

An extended supply chain or marketing channel, which embraces all activities needed to produce the product, including information/extension, planning, input supply and finance. It is probably the most common usage of the value chain term. However, the application of value chain analysis is being interpreted differently by different organizations, with possible repercussions for their development impact. The proliferation of guides has taken place in an environment where key conceptual and methodological elements of value chain analysis and development are still evolving. Many of these guides include not only detailed procedures that require experts to carry out the analysis but also use detailed quasi-academic methodologies. One such methodology is to compare the same value chain over time (a comparative or panel study) to assess changes in rents, governance, systemic efficiency and the institutional framework.

A major subset of value chain development work is concerned with ways of linking producers to companies, and hence into the value chains. While there are examples of fully integrated value chains that do not involve smallholders, the great bulk of agricultural value chains involve sales to companies from independent farmers. Such arrangements frequently involve contract farming in which the farmer undertakes to supply agreed quantities of a crop or livestock product, based on the quality standards and delivery requirements of the purchaser, often at a price that is established in advance. Companies often also agree to support the farmer through input supply, land preparation, extension advice and transporting produce to their premises.

Agricultural value chain finance is concerned with the flows of funds to and within a value chain to meet the needs of chain actors for finance, to secure sales, to buy inputs or produce, or to improve efficiency. Examining the potential for value chain finance involves a holistic approach to analyze the chain, those working in it, and their inter-linkages. These linkages allow financing to flow through the chain. For example, inputs can be provided to farmers and the cost can be repaid directly when the product is delivered, without need for farmers taking a loan from a bank or similar institution. This is common under contract farming arrangements. Types of value chain finance include product financing through trader and input supplier credit or credit supplied by a marketing company or a lead firm. Other trade finance instruments include receivables financing where the bank advances funds against an assignment of future receivables from the buyer, and factoring in which a business sells its accounts receivable at a discount. Also falling under value chain finance are asset collateralization, such as on the basis of warehouse receipts, and risk mitigation, such as forward contracting, futures and insurance.

As with all agricultural growth, two things appear essential for successful value chain development: creating the right environment for agriculture and investing in rural public goods. An enabling environment implies peace and public order, macro-economic stability, inflation under control, exchange rates based on market fundamentals rather than government allocation of foreign currency, predictable taxation that is reinvested in public goods and property rights. There is a positive correlation of agricultural growth with investment in irrigation, transport infrastructure and other technologies. Governments have a responsibility to provide essential goods and services, infrastructure, such as rural roads, and agricultural research and extension. Value chain development is often constrained by corruption, both at a high level and at the ubiquitous road blocks found in many countries, particularly in Africa. Many measures to improve value chains require collaboration between a wide range of different ministries, and this can be difficult to achieve.

Value chains may include a wide range of activities, and an agricultural value chain might include: development and dissemination of plant and animal genetic material, input supply, farmer organization, farm production, post-harvest handling, processing, provision of technologies of production and handling, grading criteria and facilities, cooling and packing

technologies, post-harvest local processing, industrial processing, storage, transport, finance, and feedback from markets.

The value chain is a key framework for understanding how a product moves from producer to the customer. Value analysis is a full range of activities which are required to bring a product to service from conception through different phases of production involving a combination of physical transformation and the input of various producer services, delivery to final consumers and final disposal are used. Value chain analysis provides a way to understand the business policy, mechanism, and product and information movement for increasing efficiency, productivity, customer service and a better business environment. It initiates better linkage among the producer, market actors, and consumer in the supply chain.

Major principles for consideration while conducting value chain studies:

- i Identify what creates value from the end-user perspective and not from the individual firm's perspective.
- ii. Find out the steps across the value stream. In addition, highlight waste created at each step.
- iii. Implement the actions that create value and flow of the product without interruption, diversions or waiting.
- iv. Based the output produced on customer demand.
- v. Continuously remove successive layers of waste in both the product and the processes.
- vi. Systematically mapping the actors taking part in the production, distribution, marketing, and sales of a product.
- vii. Identifying and estimating the share of the costs and benefits of each actor in the chain
- viii. Determining the scope for quality enhancement within the chain. Quality enhancement may involve improvements in the production, delivery, and processing of the product, its packaging and design.
- ix. Highlighting the role of governance in the chain

Review of Literature

- Srikanta Routroy, Astajyoti Behera, (2017) "Agriculture supply chain: A systematic review of literature and implications for future research", Journal of Agribusiness in Developing and Emerging Economies- His paper provides an insight into various aspects of ASC in general and one can get a deeper and richer knowledge on it which will help in formulating effective strategies to design of an effective and efficient ASC. It uncovers the research gaps for the new future research paths. This systemic review is strongly felt to fill the gap in the ASC literature.
- Adhikari, R. P., Collins, R., & Sun, X. (2012). Segmenting consumers to inform agrifood value chain development in Nepal – His research provides a multi-faceted view of the global value chain, a set of insights are gathered about the nature of value creation and where constraints exist. Resulting policy recommendations provide examples of how a value-chain-centric approach could be used to highlight innovative policy solutions to MPCs' agri-food export sector, for instance, disseminating consumer information to relevant stakeholders and incentivising investment in supply chain activities that add value for consumers.
- Joshi, et al. examined trends of revenue from crops cultivation during 1980-1981 to 1999-2000 and have suggested better investment in agricultural R& encouraging marginal farmers to diversify into cultivation of high value crops through assistive institutional framework.
- Abecassis-Moedas, 2006 – He classify value chains is in terms of who drives the chain: buyer-driven chains versus producer-driven chains. Buyer-driven chains are common in labor-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 analyze the contribution of the different chain actors and the relationships among themselves. An understanding of the interactions within a value chain helps identify the factors that influence how well or how badly the chain works. The resulting market map defines the value chain actors, the enabling environment and the service providers. The enabling environment includes critical factors that create the operating conditions within which the value chain operates, such as infrastructure, policies, and regulations, as well as institutions and processes that shape the market ecosystem. These factors are beyond the control of the value chain members, but studying them is important in order to ascertain the trends affecting the chain and the drivers of these trends, thereby identifying opportunities for lobbying and policy entrepreneurship.
- Fearne et al., 2012 - Scope of value considered In the analysis of value chains, it is important to look into the sources and beneficiaries of the value created 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 behavior, since individual customers evaluate a product’s attributes differently, considering among many other factors, their gender, culture and socio-economic status, which influence their ability and willingness to buy and pay for their purchases. It is therefore appropriate for value chain analysis to identify and work within specific market segments, instead of regarding customers as a single homogenous group.
- Boehlje (1999) , on the other hand, suggested six dimensions of the value chain, namely: (1) processes; (2) product flow; (3) financial flow; (4) information flow; (5) incentive systems; and (6) governance. Value chain processes include activities that create the attributes or products that will be demanded or used by the consumer/end user. Product flow features of the chain include transportation and logistics necessary to move the products between processes, the details of flow scheduling to make sure that products are available at various stages of the process without accumulating excessive inventory, the enhancement and maintenance of various quality attributes, and the utilization of plant and equipment in all stages of the value chain to reduce downtime.

Objective of study:

- 1) To study the accessibility of the market of the study it FPO
- 2) To study the market of the Farm produce by the FPO
- 3) To analysis the gap between Farmer and Market
- 4) To suggest the viable business plan for FPO.

Scope of study:

It is unfortunate that almost 70% of our population is involved in agriculture but agriculture contributes to just 16% of the country's GDP. In our country, almost 80% of the farmers are a small and marginalized farmer which proves economically unsound.

Farmers are not getting the appropriate price for their product because of a long list of traders. So our main objective is to find out the scope for cooperatives of farmers so that they can indulge themselves in the demand supply chain.

The study was confined to the Chomu cluster of Rajasthan, in which we were entrusted to conduct the interviews with the farmer to make them aware about the FPO and there benefit and convince them to become a member of FPO.

COMPANY PROFILE

ACCESS DEVELOPMENT SERVICES

ACCESS is a national livelihoods support organization, with focus on incubating innovations for sustainable livelihoods of the poor. With support from DFID (Govt. of UK), ACCESS was established in March 2006 as a professional new generation agency to contribute to and support poverty reduction in India. ACCESS is uniquely structured to work at all levels of the development sector value chain, from implementing programmes on the ground, working with the Civil Society Organizations, Government Departments, Corporate Sector and Multilateral / Bilateral Agencies, and also supporting policy at the national level. In the last decade, ACCESS has gained recognition for incubating innovations in livelihoods that has helped to move the economic lot of the poor from subsistence to sustainable levels. ACCESS works both in rural as well as in urban areas. Currently, ACCESS has 32 on-going programmes and works in 9 states in India with over 60 full time professionals in managerial positions and 240 field staff to support programme implementation.

ACCESS MISSION

To build capacity of community-based institutions that deliver relevant financial and livelihoods services to the poor and unreachable households.

ACCESS VISION:

ACCESS is a global partner of choice, providing inclusive innovative livelihood solutions and enabling the poor to overcome poverty and live with dignity

Chomu Veg Agro Producer Company

Chomu veg agro Producer Company Limited, Chomu promoted by Access Development Services of Company which is funded by Small Farmers' Agri-Business Consortium, a Society promoted by Dept. of Agriculture, Govt. of India, has been nominated by Ministry of Agriculture to act as a nodal agency to coordinate with various State governments, civil society partners, private sector, financial institutions, resource persons and other stakeholders to help in the conduct of baseline studies, promote Farmer Producer Organizations (FPOs) across the country

and link producer groups (both existing ones and newly formed institutions) to marketing opportunities.

The organization is a federation of entrepreneur small and marginal farmers in the 25 villages of Chomu Cluster of Jaipur District with member size of 400 organized in 36 FIG (Farmers Interest Group) at Village level.

Nature of Company

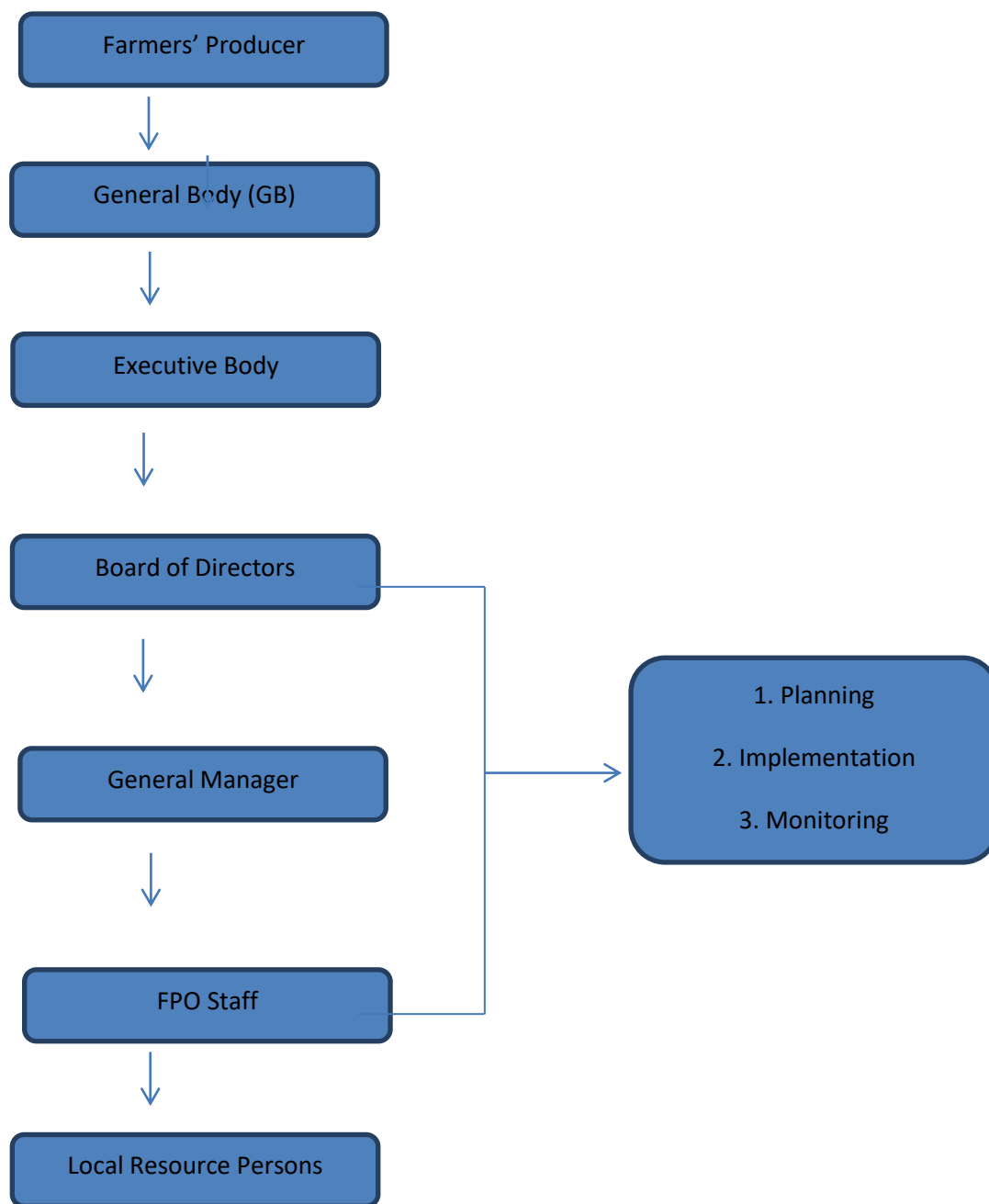
Producer Company incorporated under the Companies Act, 1956 (No. 1 of 1956) under Part IXA at Gwalior on the 20th day of Dec, 2013 within the meaning of Section 581A(1) of the Act. The Company is deemed to be a private Company within the meaning of Section 581C(5) of the Companies Act, 1956.

Share of the Company shall be issued only to individual producers. The equity share of a producer company cannot be traded on the stock exchange. It is transferable to active members at par value with the previous approval of the Board.

Mission: To support, take initiatives for end to end services in agriculture and allied production so as generate sustainable and respectful livelihood to the small and marginal farmers.

Vision: Serve to small and marginal farmers for their sustainable livelihood

STRUCTURE OF FPO:



RESEARCH METHODOLOGY:-

UNIVERSE AND UNIT OF STUDY:-

The universe of our study is the city of Chomu in Rajasthan. Chomu is a major village of vegetables. study in Chomu Cluster where 15 to 20 villages came and every farmer produce vegetables they supply vegetables in many cities like Delhi, Punjab, Haryana U.P etc.

SAMPLE DESIGN: -

The study would follow Multi stage sampling.

Sample size

cost sheet for organizing small farmers, agriculture technology promotion&development of FPO(cost for 3 years)		
Assumptions		
1	No. of farmers	200
2	No. of Villages	15-20
3	No. of FIGs	33
4	No. of members per FIG	12-20
5	Years of intervention	1
6	No. of FPO	1

Particulars	Sample Size
Farmers	200
Traders(Mondi)	10
Supermarkets	3

SOURCE OF DATA COLLECTION:

A. PRIMARY SOURCES: For collecting data from primary source, questionnaire, interview Schedule were used as main tool along with personal visit to the village.

RESEARCH DESIGN: -

- Research type : Descriptive
 - Data Source : Primary data
 - Research Method : Survey Method
 - Research Technique : Questionnaire, Personal Interview
 - Type of Questionnaire : Self-Structured
 - Type of Questions : Open and Closed ended
 - No of Questions : 15
- ✓ The primary data was collected with the help of Interview and self-structured questionnaire on the basis of active farmer response and observation. It contained questions pertaining to the key parameters, feedback & communication system, etc.

A. SIGNIFICANCE OF THE PROJECT: -

The significance of any project lies in its ability to bring out certain facts which can be added in decision making regarding the marketing mix of a certain product. This again requires factual and unbiased information about the existing and potential market.

For Organization: -

- ✓ It will help to start a business plan of FPO.
- ✓ It will help the organization to understand the current market position and competitors.

- ✓ Help the company to build its network in market.
- ✓ To understand the psyche (buying behavior) of the farmers, traders & supermarkets.
- ✓ To understand the role of traders & middleman in influencing the market price of vegetables
- ✓ It will help company to get idea about their status in the market.
- ✓ It also helps the organization to determine their future course of action.
- ✓ It helps the organization to know the customers' requirement and Customers' specification with reference to the parameters & its significance.
- ✓ In long term there by helps to develop an approach towards working in any organization.

For Researcher: -

- ✓ This project helps the researcher to understand the Business & Market Strategy of the organization.
- ✓ It helps the researcher to understand the organization's system and work style.
- ✓ It helps the researcher to understand how to study & analyses the market with respect to the particular Segment.
- ✓ It helps researcher to increase his/her capacity building with proffessionlas.
- ✓ In long term there by helps to develop an approach towards working in any organization.

B. LIMITATIONS OF THE STUDY:-

- i. I got an opportunity of 45 days in field area; hence I couldn't able to catch other exhaustive data and resources for my study.
- ii. Farmers don't have time due to the season of wheat production.
- iii. Due to bad road connectivity it took more time to reach at field.

DATA ANALYSIS AND INTERPRETATION

Land use for vegetables

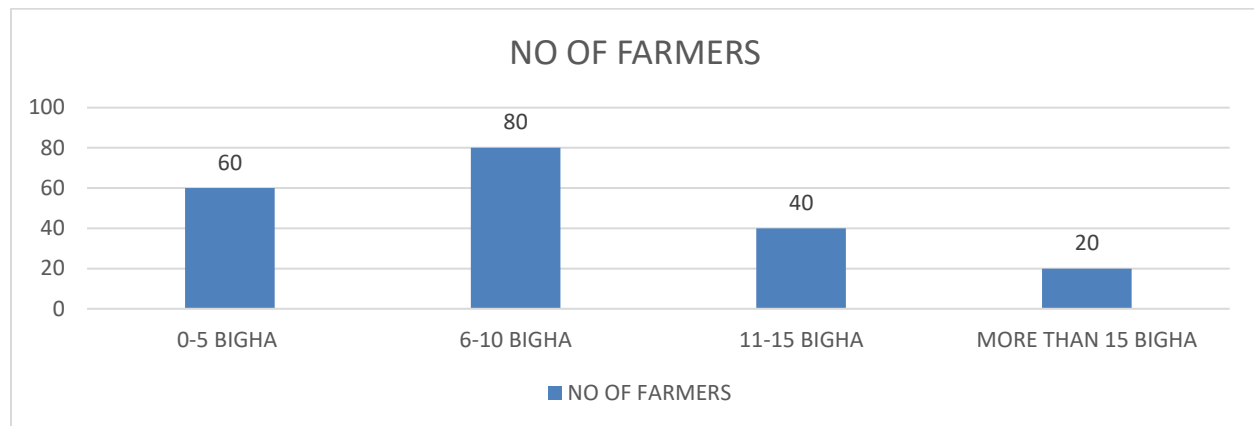
200 farmer use 0-5 bigha land for vegetables

110 farmer use 6-10 bigha land for vegetables

70 farmer use 11-15 bigha land for vegetables

20 farmer use more than 15 bigha land for vegetables

Land Used by Farmers for vegetable	No. of farmers
0-5 Bigha	200
6-10 Bigha	110
11-15 bigha	70
More than 15 bigha	20



Above figure reflect that 60 farmer have 0-5 bigha of land.its approximate 30%of total respondent.and 80 farmer have land 6-10 bigha approx. 40 %of data this is high area that farmer have in chomu.40 farmer have more than 10 bigha land.and 20 farmer out of 200 have more than 15 bigha land.they are associate with FPO because they sold their large amount of vegetables in FPO in good fares. This data show the Agriculture land of respondent.

INPUT REQUIRMENT

RABI CROP (IRRIGATED AREA)

CROP	SEED KG	URE A KG	DAP KG	POTASH KG	ZIN. KG	GYP SUM	PESTICIDE RS	HERBICIDE RS
WHEAT	25	15	10	2	2	0.5	800	500
JOE	25	15	10	2	2	0.5	900	700
MUSTURD	0.8	10	10	-	-	-	800	600
GRAM	5	-	-	-	-	-	1100	700
TARAMIRA	0.3	10	5	-	-	-	800	700
METHI	5	5	5	-	-	-	800	600

FOR RABI CROP (IN RAIN FED AREA FOR ONE BIGHA OF LAND)

CROP	SEED IN KG	UREA IN KG	DAP IN KG	POTASH IN KG	ZINK IN KG	GYP SUM IN KG	PESTICIDE IN RS	HERBICIDE IN RS
WHEAT	25	30	20	4	4	1	800	500
JO	25	30	20	4	4	1	900	700
MUSTURD	0.8	20	20	-	-	-	800	600
GRAM	5	-	-	-	-	-	1100	700
TARAMIRA	0.3	20	10	-	-	-	800	700
METHI	5	10	10	-	-	-	800	600

KHARIF CROP(FOR IRRIGATED LAND OF ONE BIGHA)

	SEED (KG)	UREA (KG)	DAP (KG)	POTASH (KG)	ZINK (KG)	GYPSUM (KG)	PESTICIDE (RS)	HERBICIDE (RS)
BAZRA	0.8	15	5	-	1	2	900	700
MUNGFALI	8	15	10	2	1.5	1.5	900	500
MUNG	2.5	5	5	-	1	1.5	800	500
TIL	0.5-1	5	5	-	-	-	1000	500
GWAR	3	10	5	-	1	2	900	600
JWAR	2	10	5	-	1	2	900	600

KHARIF CROP(FOR REN FED LAND OF ONE BIGHA)

	SEE D KG	URE A KG	DA P KG	POTAS H KG	ZIN K KG	GYPSU M KG	PESTICID E RS	HERBICID E RS
BAZRA	3	10	10	-	2	4	900	700
MUNGFAL I	8	15	13	2	2	2	900	500
MUNG	2.5	10	10	-	2	2	800	500
TIL	0.5-1	10	10	-	-	-	1000	500
GWAR	3	20	10	-	2	4	900	600
JWAR	2	20	10	-	2	4	900	600

Which company's fertilizer do farmer use?

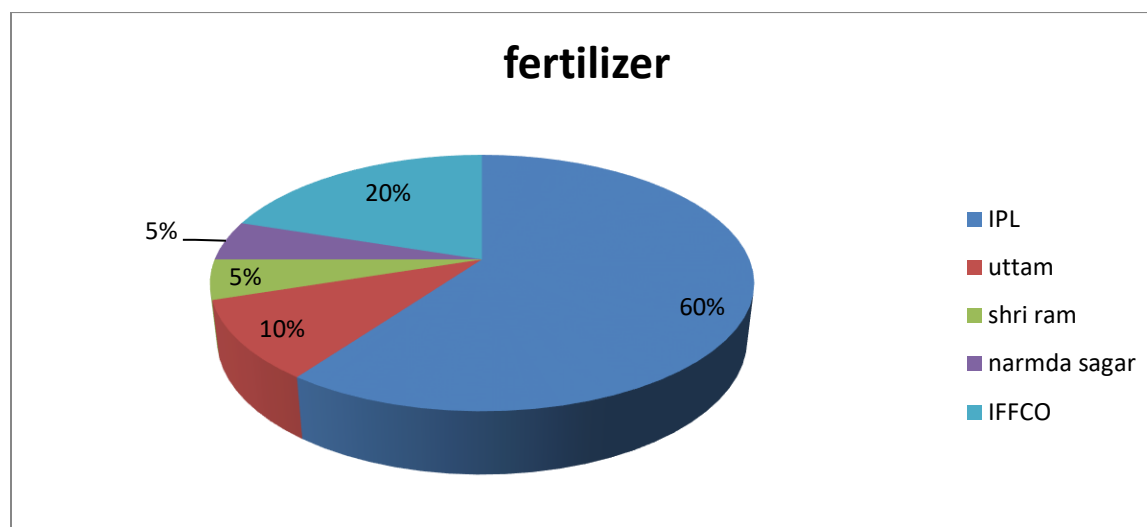


Figure 1

Above chart show the 60% of total respondent use the IPL fertilizer because it's a very usefull for increase in production,10% of total respondent use uttam fertilizer,5%of total respondent use shri ram fertilizer,5% of total respondent use narmda fertilizer ,after IPL20% of total respondent use IFFCO fertilizers.

Which company's cattle feed farmer use?

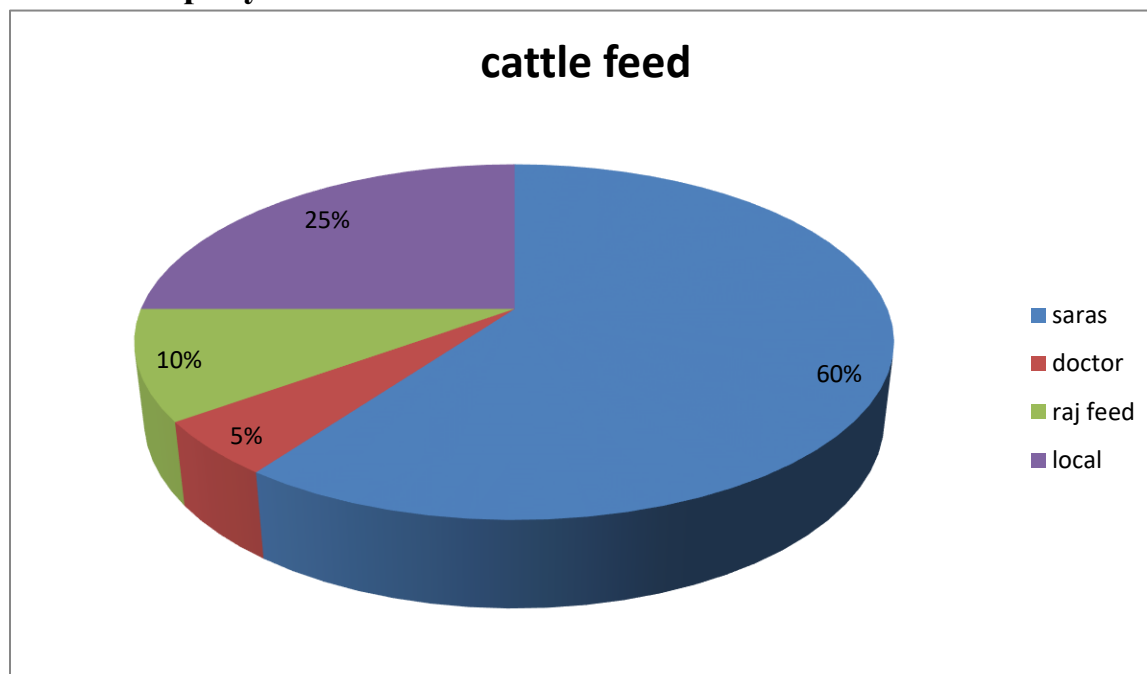


Figure 2

Above chart show the 60% of total respondent use the Saras cattle feed because it's a very usefull 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 feed that is available in local market due to cheap rates of feeds.

Which company's seed farmer use?

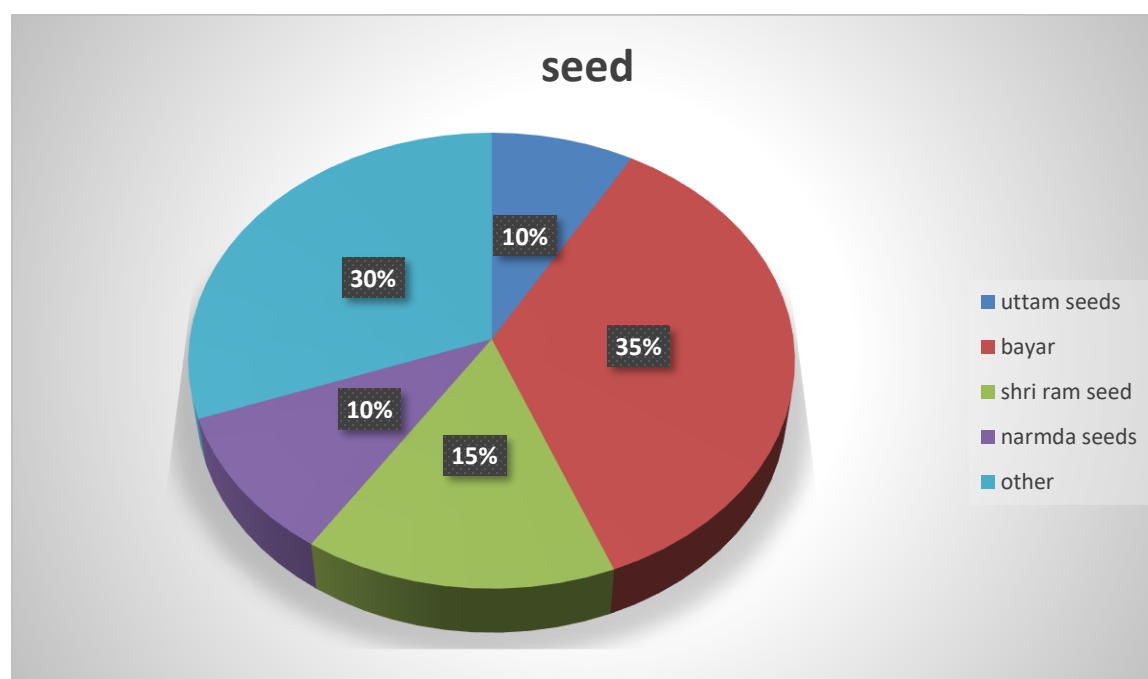


Figure 3

Above chart show the 10% of total respondent use uttam seeds,35% of total respondent use bayar seeds,15%of total respondent use shri ram seeds,10% of total respondent use narmda seeds,30% of total respondent use local seeds that is available easily in local market of village.

Awareness of Daily market price of vegetables in different area

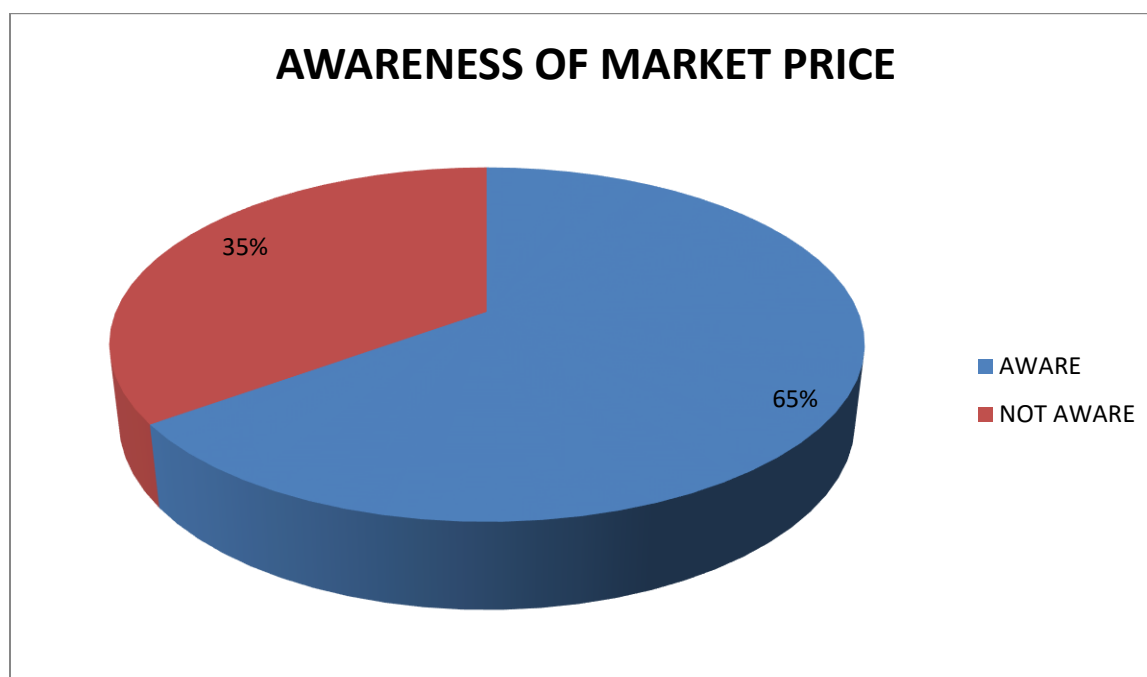


Figure 4

	AWARENESS OF MARKET PRICE
AWARE	65%
NOT AWARE	35%

65% farmers are aware about all marketprice 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 they have to sell vegetables in local market despite knowing market price of vegetables.

STORAGE SYSTEM

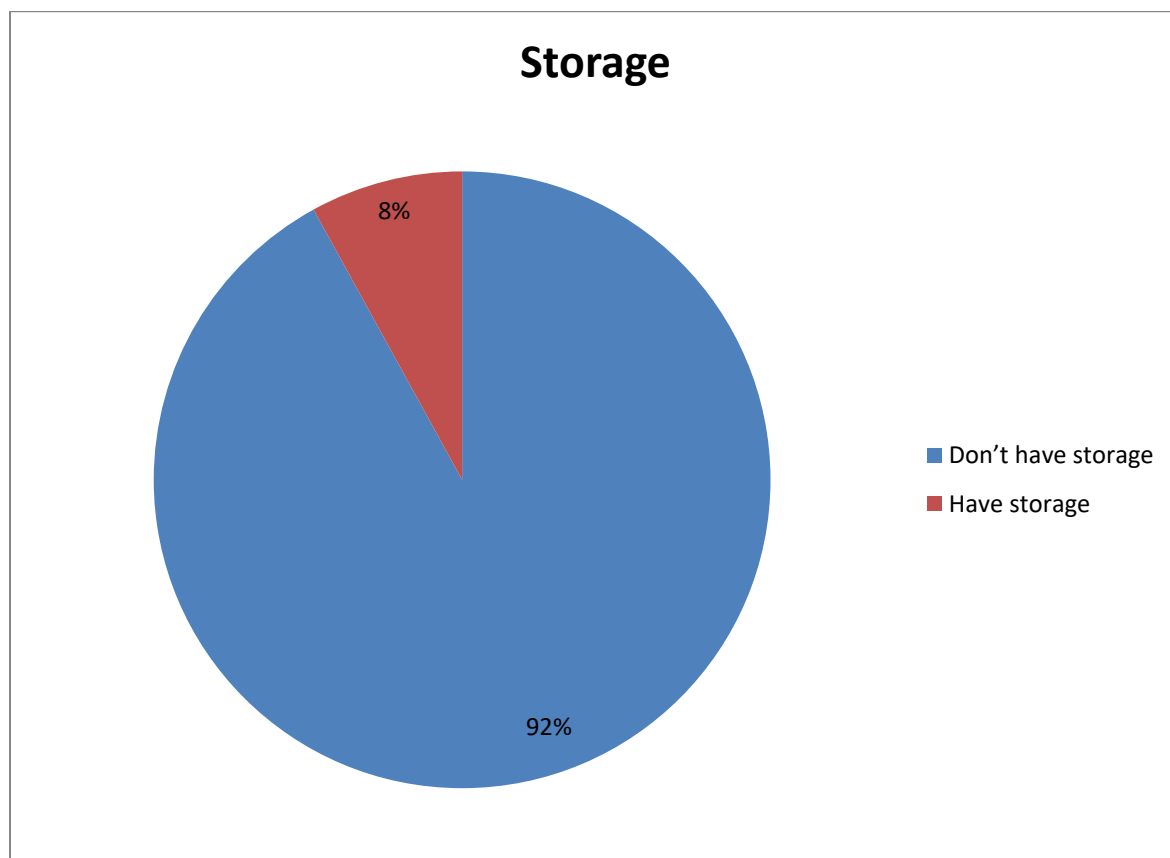


Figure 5

92% farmers 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 believe to make a proper storage system. Land holding and production is also one of the reasons for it. Only few have proper storage system.

INTREACTION WITH MANDI TRADERS:

1. When I asked them about Profit Percentage they told us that there are two kinds of License:

- a) **Ki-Warg:** Ki-warg license holder provide direct link from traders and he take 6% profit from the traders.

There is a many traders who have aKi- **warg** license that kind of traders have a good network to other traders and other state. So they provide direct link to that kind of traders who want to by vegetables and they take 6% profit on sell from traders plus .25% labor charge and weighting charge.

Their profit percent is always fix they can't take too much profit to traders.

- b) **Gy-Warg:** Gy-warg license holder can take vegetables from the farmers and give them money according to market price and then he can sell their vegetables anywhere.

Gy-warg license holder have a right buy any vegetables to any quantity and they can sell it to anywhere in any price. That types of traders generally buy vegetables from farmers and store it and they supply vegetables when price hike for that vegetables

I ask many questions to gy-warg license holders.

1. Is there any price 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 Jaipur mandi, Muhana mandi they can take advantage of extra money.

2. 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 farmers.

3. 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.

4. How many traders in this Mandi?

In janta market mandi there is 50 to 70 traders.

In Jaipur mandi 80 to 100 traders.

In muhana mandi there is 100 to 120 traders.

5. On what basis do you purchase vegetables?

30 traders purchase vegetables on basis of quality and quantity.

10 trader purchase vegetables on basis of vegetables demand.

Purchasing vegetables According Quality and Demand ?

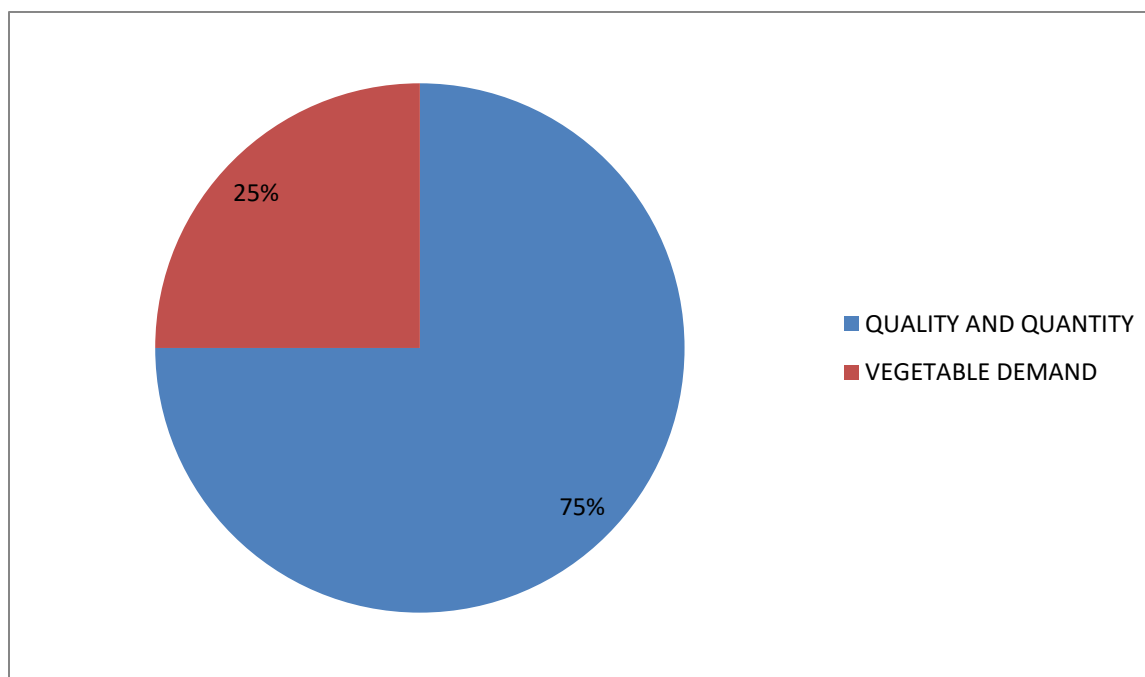


Figure 6

30 traders buy vegetables 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 vegetables because if demand of vegetables is high so they can sell there vegetables earlier and if demand of vegetables of low so they don't buy that vegetables.

These traders also say that many think also influence us to buy vegetables like session of vegetables types of vegetables etc.

6. From whom do you purchase vegetables?

25 traders buy vegetables from farmer.

10 trader buy vegetables from middleman.

And 5 traders buy vegetables from other source.

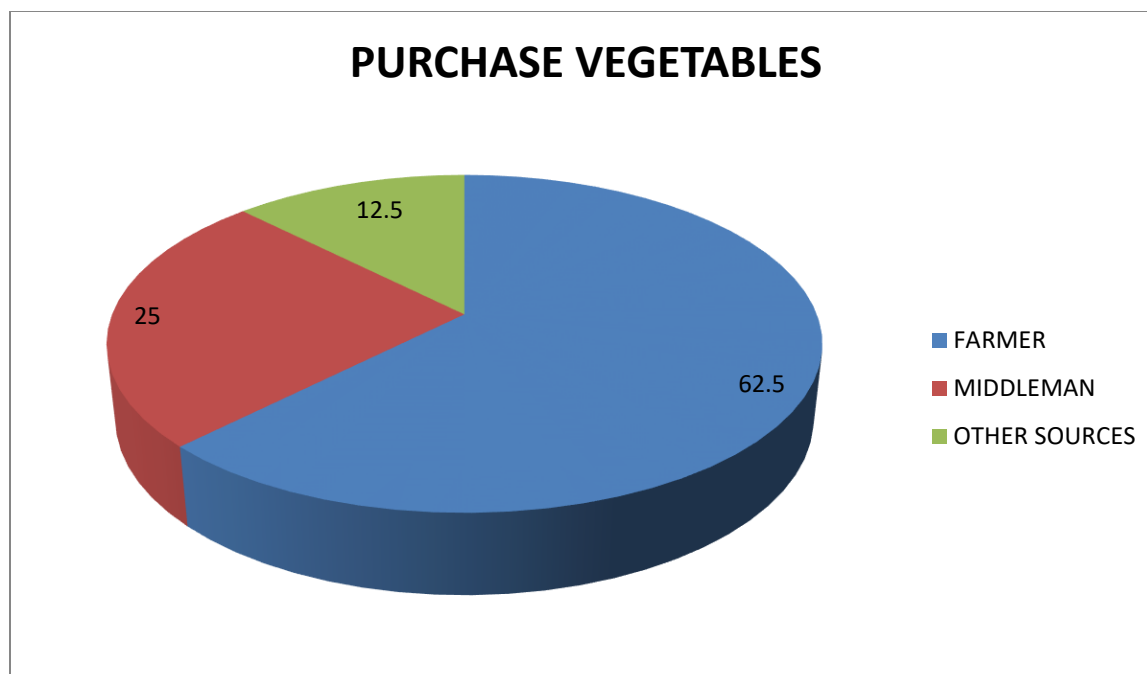


Figure 7

25 traders buy vegetables from farmer and 10 trader buy vegetables from middleman.

Middlemen are those who buy take vegetables from small farmer and sell it to traders

And 5 traders choose other source to buy vegetables like direct selling etc.

7. Where do you supply vegetables?

23 trader's sale vegetables to local vender.

4 traders sale vegetables to Supermarket.

And 13 trader sale vegetables to other Mandi.

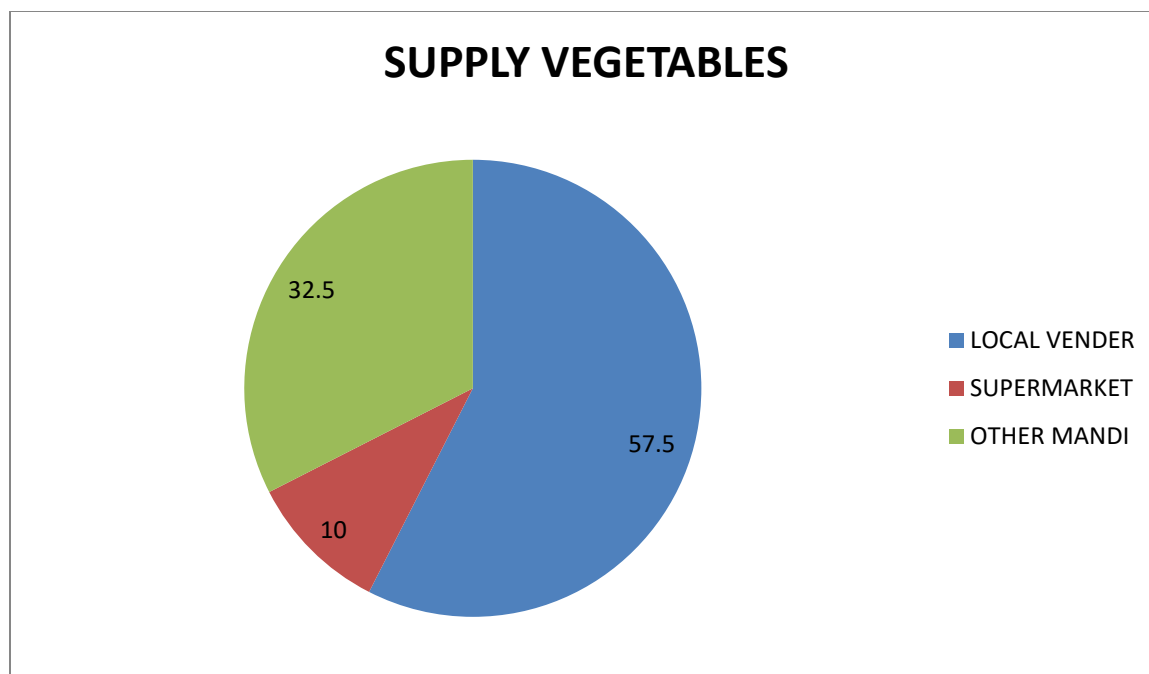


Figure 8

23 trader sell vegetables to local vender and local vender sell to consumer that kind value chain system increase market price of vegetables.

4 trader sell vegetables to supermarket like easy day reliance fresh etc.

And 14 traders sell vegetables to other Mandy. Traders have a direct link to other mandi so they have a well knowledge about market price of vegetables

8. What are the criteria of setting up market price?

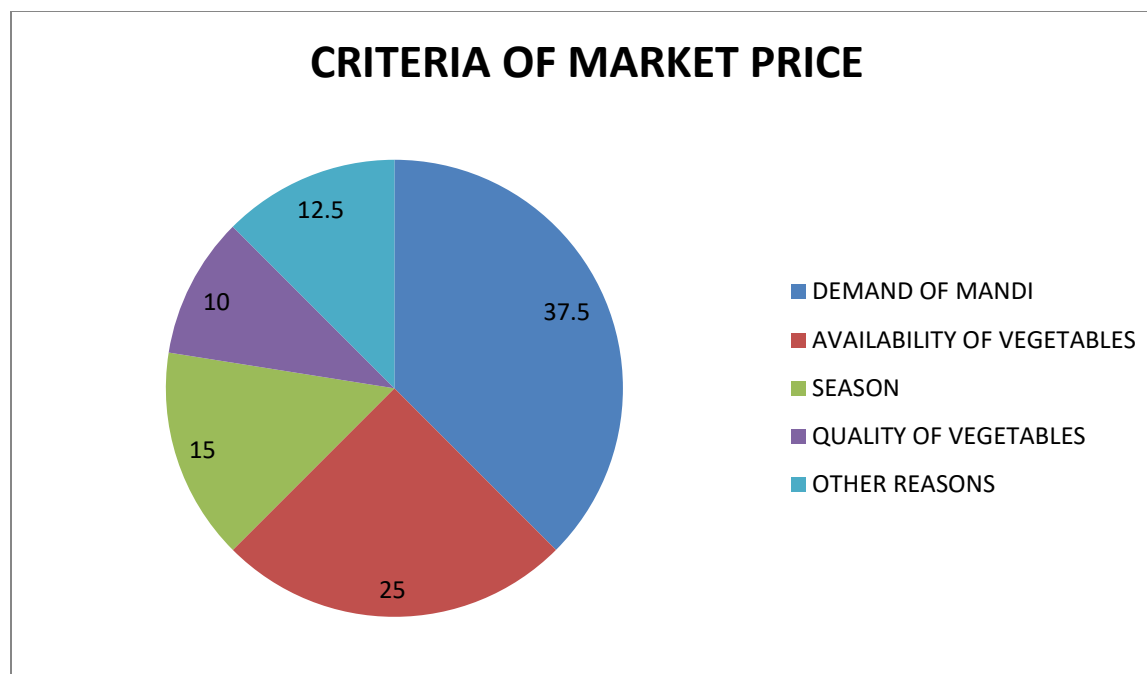


Figure 9

37%traders say Demand on demand of mandi is a one of the main reason for setting a price of vegetables

25% farmerssay depend on availability of vegetables in the market is also a main cause of setting a market price

15% farmer say it's all depend on season

10% trader say quality of vegetables is also a reason of price setting

And 12.5% farmers says there is other reason for price setting of vegetables

Where do you store vegetables?

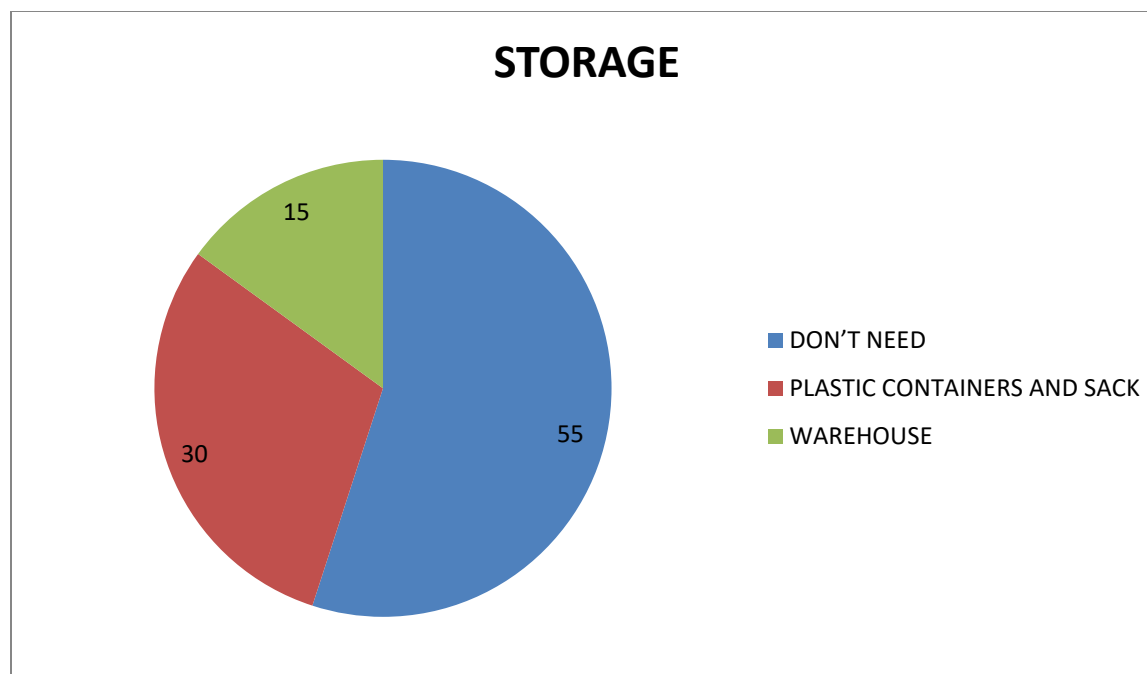


Figure 10

55% farmers don't need any storage facility.

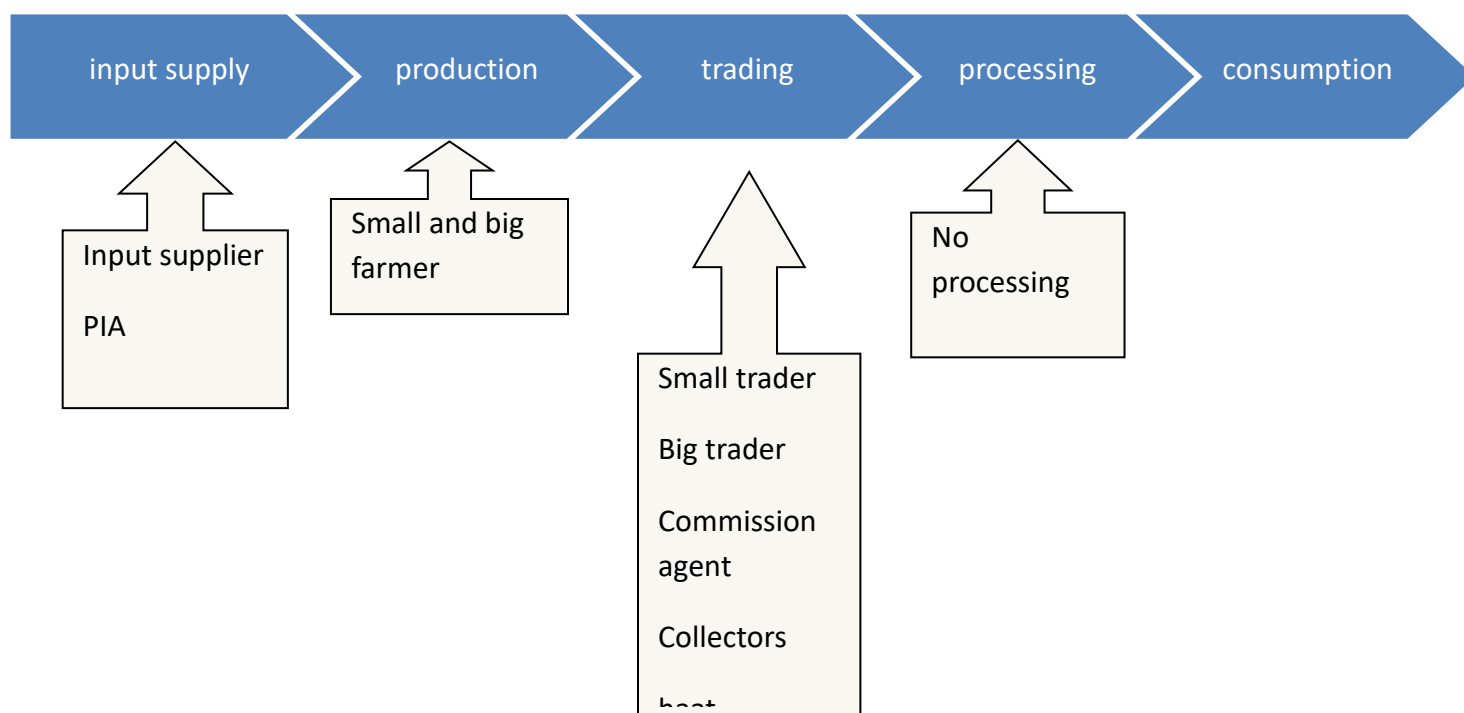
30% farmers use plastic containers and sack.

And 15% farmers use warehouse

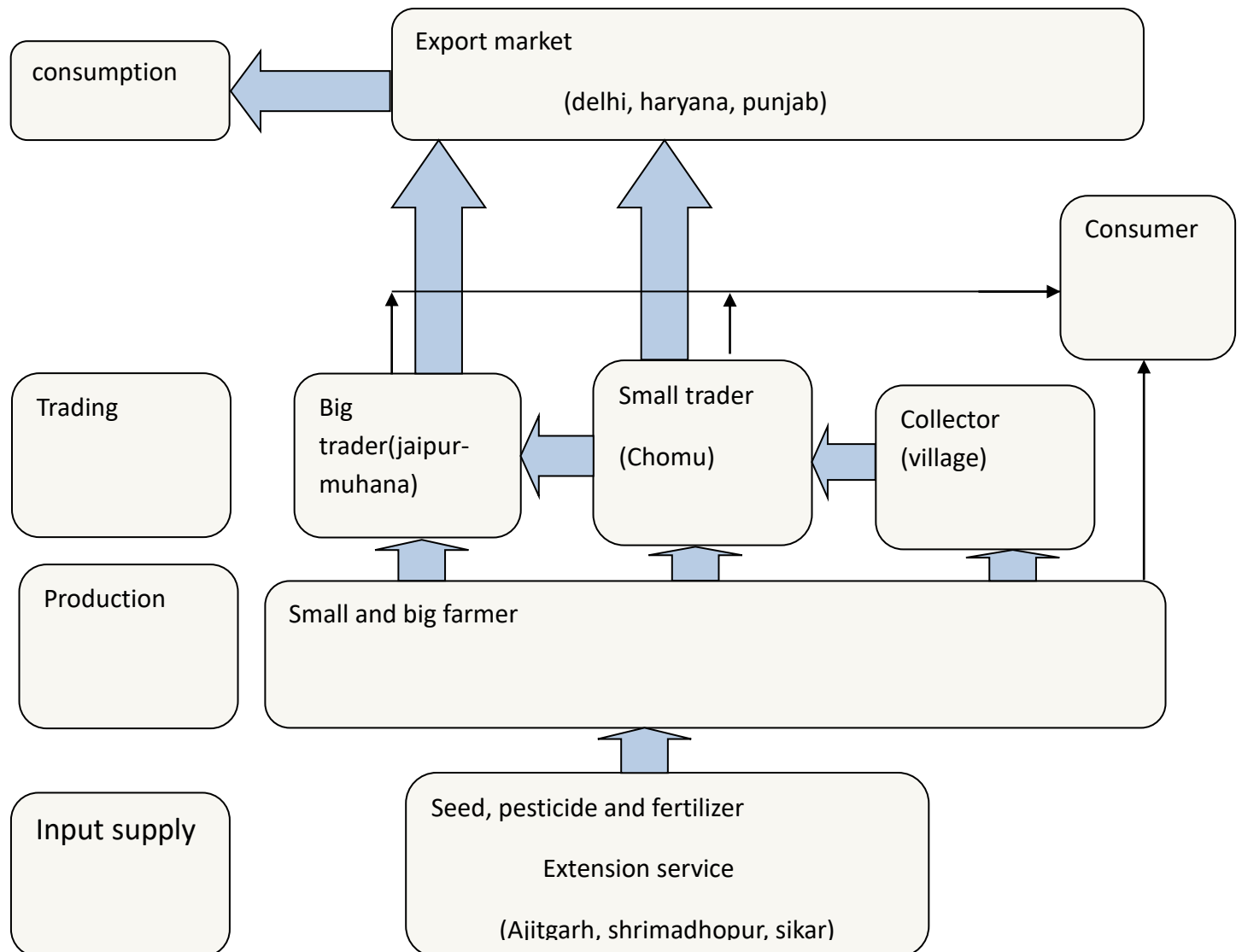
GENERAL FINDINGS –

1. Many farmers sell their vegetables in local market they don't have any idea about market price of near city or state.
2. Farmer is not interested to give rupee of share capital.
3. There is a competition because many big farmers have direct contact to farmer so they sell their vegetables directly.

FACTORS ALONG THE VALUE CHAIN



MAPPING PRODUCT FLOWS



STRENGTH:-

- It's providing a good market to the farmer.
- That kind of activity generates more profit.
- It avoids all mediators and provide direct link to the customer.
- FPO also provides pesticide fertilizer and seed on minimum prize.
- Farmer will be real owner of a FPO. All activity will carry out by farmer.
- Small farmers produce to which the market has positive sensitivity.

WEAKNESS:-

- Not experienced in marketing.
- Many farmers are not interested to do that kind of think because this is a new project to the farmer.
- Many farmer produce different crop on different time period so it's too difficult to collect all vegetables together.
- No credit terms.
- Standing in the market not very well.

OPPORTUNITY:-

- Chomu is a main area of a vegetables and there farmer produce more vegetables.
- Many traders and farm vegetables industry are ready to buy vegetables.

CHALLENGES:-

- Many vegetable traders buy vegetables from village.
- Many farms and trader are mostly interested to buy vegetables from small trader so it's too difficult to provide direct link to big trader and farms.

OVERALL BENEFIT FROM FPO TO FARMERS:

- They provide good market to every farmer where they can sell directly and can obtain maximum profit.
- Various types of fertilizers, pesticides, seeds, are provided by FPO. In that way farmers can minimize their expenses.

SUGGESTIONS:-

1. Access should start FPO in every village because the distance of every village is too far.
2. Transport is a main issue only few people have a personal vehicle so firstly the arrangement of transport facility should be made as needed so that every farmer carry their vegetables and bring it together.
3. 500-1000 rupees for share capital is big amount for a farmer. It should be divided to many installments so that every farmer can give us 500-1000 rupees on an installment basis.
4. Big traders and firm like reliance fresh big bazaar and some vegetables industry should be contacted so that FPO can supply vegetables directly to them without middle men.
5. Cabbage, Cauliflower is main vegetables of this cluster so FPO should mainly focus on Cabbage, Cauliflower and other vegetables which could be grown as per the agroclimatic zone of the area.

Major Findings :-

- Majority of the farmer use local quality of input (seeds, fertilizers, cattle feed,) if FPO supply good quality of inputs the productivity of the farmers will increase which will enhance their farm income.
- If Farmer sell their farm produce in bulk they will get more profit as compare to individual selling of farm produce by the farmer. FPO could be the best platform for supplying of input as well as selling of farm produce in bulk.
- Most of the farmer aware about the market price but due to the transport facility they sell their produce in local market.
- If FPO collect the share amount of every farmer, then can buy products in bulk, and sell it in high rates.
- Study area Chomu is well developed and farmer have full knowledge about agriculture. hence if they open FPO on other remote area they can do more business as compare to Chomu.
- All FIG are not viable andLRP is not working very well.

CONCLUSION

Access started Chomu Veg Agro Producer Company (FPO) in Chomu. FPO is organization of 1000 farmer where 11 farmer Are board of member and every farmer have to 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 question regarding there working condition, crop, and about vegetables. Under my study I found that Chomu cluster is a hub of vegetables and all farmers are already have kind of support they connect with FPO Because they think they will get the fertilizers pesticides and seeds in subsidized rate. And another reason is that they covered the long area so farmers are not taking interest for coming in FPO. They buy everything from the local market.

Main reason behind less business of Chomu FPO is CEO is not working proparley.people are not happy with him,.