

Title:- *Providing better market linkage to Orange Grower in Jhalawar, Rajasthan*

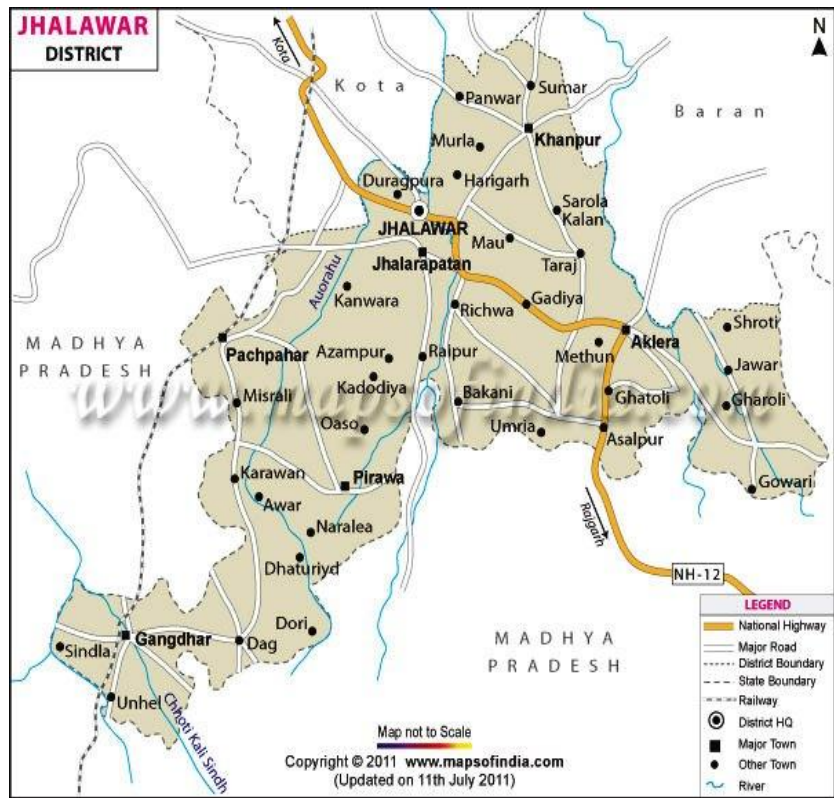
Category: - Horticulture

Introduction

Jhalawar is known as “Nagpur of Rajasthan”, for the production of citrus (oranges) which stands at second place in orange production in India after Nagpur (Maharashtra). The area around Bhawani Mandi has distinction of being an important place on the international and national citrus (Narangi) fruit map.

Jhalawar district is known for the highest rainfall in Rajasthan state. This rain is very helpful for the farmers of the region. Citrus produced in Jhalawar region are of export-quality, and exported to various foreign

countries. Citrus-belt is spread mainly around the Bhawani Mandi, Jhalrapatan and Pirwa sub-divisions of the district.



Challenges

Jhalawar in Rajasthan has a good comparative advantage in growing a variety of Oranges compared to many other states due to its diverse agro-climatic conditions. However, farmers are facing various problems in cultivation and marketing of oranges here. Seasonal glut and high fluctuations in market prices is a recurrent phenomenon in fruits markets. In addition to the price risk, post-harvest losses due to lack of market infrastructure, institutional support and exploitation by middlemen. Losses in post-harvest of citrus fruits are estimated at about 25-35% as the product moves from citrus groves to ultimate consumers.

Recent glut in prices of sweet orange effected most of the farmers of sweet oranges adversely and they are unable to sell their produce at reasonable prices, as a result they have been forced to sell at very low prices below their production cost.

Initiative

It is generally believe that to improve access to market and to strengthen the position of small and marginal farmers in Agri-value chains, it is importantto federate farmers so that they can easily bargain for better prices, both while buying inputs and selling their produce. This belief, has led to the concept of establishing crop specific “Farmers’ Producer Organizations in the Country”. The term “Crop Specific” is of much importance here, as this would help in aggregation of crop specific input procurement and output sourcing and ensure future sustainability of such organizations. This approach demonstrates the potential to be more successful in breaking farmer’s dependency on intermediaries, and enabling them better access to technology, finance, markets and Govt. schemes.

Hence, based on above concept, in 2015, Access Development Services which is a national level Organization which works for social and economic upliftment of small and marginal farmer, with support under RKVY, Agriculture Department, Govt. of Rajasthan bring the concept of promoting FPO (Farmer Producer Organization) in 4 blocks namely- Jhalrapatan, Sunel, Raipur, and Bhawani Mandi in Jhalawar District under the project of **promoting 40 crop specific FPOs in Rajasthan popularly known as “Dharashakti”**. However, aggregating the farmers and to convince them for bringing on one platform was not an easy task and for that a strong team was also needed who can



FIG orientation meeting

regularly interact with farmers. Hence, ACCESS placed a full time dedicated team in the field which include LRP (Local Resources Person) and Project Coordinator. The 1st task assigned to team was to inform the community about the concept and scheme of FPO and how it is beneficial for them. For that, at the village level, opinion leaders/ Lead Farmers (LF) were identified as entry point for organizing farmer meeting and mobilizing the producers. At the meetings, the farmers were made aware about the RKVY scheme and FPO concept. With the help of opinion leaders



FIG formation meeting

the initial meetings witnessed attendance of around 20-30 farmers. The agenda of the meetings were primarily introducing ACCESS team and make themaware about RKVY program and how they can get benefited through FPO formation in their area.

In the 2nd step, from the village level meetings, farmers who finally were interested to join the program were structured in groups of up to 15-20 farmers. Care was taken that the interested members are mostly small and marginal farmers and farmers of same locality/lane/village were grouped to form the FIGs and approx. 50 FIGs were formed in each block. All the FIGs were given a name as per the name selected by the FIG members. Once the FIGs formed,it was important to organise them into a legal entity. For that, a large

meeting was called in which 2 Lead Farmers from each FIGs were invited and were trained on the procedure for FPO formation, its vision, mission, management and governance, share capital collection and business planning for the FPO. In the same meeting, 10 BoDs were selected for forming a FPO and out of 10, one chairman was selected. All legal formalities related to company registration viz- legal document collection, account opening, PAN card, CA finalization, verification, digital signature, etc. were completed and finally 4 FPOs in 4 blocks were registered as per following:-

S No	Name of FPO	Block Name
1	Asnawar SantraKishan Producer Company Limited	Jhalrapatan
2	UdaysantraKisan Producer Company Limited	Bhawani Mandi
3	VasudevsantraKisan Producer Company Limited	Sunel
4	SaroniyaSantraKishan Producer Company Limited	Raipur

Key result

Case-1 Market Linkage for Asnawar SantraKishan Producer Company Limited in Jhalrapatan block.

After forming the FPO, the next challenge envisaged was to link FPO with market so that member of FPO can realise the benefit of forming FPO and they can get better prices for their produce. In December, 2015, ACCESS Development Services contacted an organization which is named as – Veg Fro. Veg Fro is an organization which is working to strengthen fruit and vegetable trade by offering producers, wholesalers and retailers a long-term partnership aimed at improving profitability in the supply chain for fruit and vegetables on a unique FSC principle: the chain that is FRESH, SIMPLE and CLOSER with its all too obvious advantages.

Veg Fro was informed about the FPO formed in Jhalawar and were also informed about the Oranges production. As a next step, the team of Veg Fro visited the Asnawar SantraKishan Producer Company Limited and checked the quality of Oranges. It was decided that there will be 5 kinds of grades of Oranges namely- 141, 171, 191, 205, 225 and B Grade, wherein, the Grade-141 Orange was of finest quality and was offered the highest rate and B- Grade orange was of lowest quality and offered the lowest rate. Following rates were finally mutually decided:-

S No	Orange Grade	Rate (In Rs/Kg) offered by Veg- Fru	Rate (In Rs/Kg) offered by local Mandi in Asnawar	Benefit realised (in Rs/Kg)
1	141	35	31	4
2	171	25	28	3
3	191	15	12	3
4	205	10	7	3
5	225	5	4	1
6	B- Grade	3	0	3

Based on the rate offered by Veg Fru, The grade wise quantity of Oranges supplied was as follow:-

Sr. No.	Grade Weight (kg)						Total Weight (In Kg)
	141	171	191	205	225	B Grade	
1	811	1001	544	572	0	295	3223
2	274.8	302	544.5	350.9	329.2	555.7	2357.1
3	554.8	691.3	968.1	499.3	0	283	2996.5
4	422.3	220	103.2	55.3	0	42	842.8
5	505.2	136.9	332.7	0	0	275.9	1250.7
	2568.1	2351.2	2493	1478	329.2	1452	10670

The overall summary of whole procurement was as follow:-

Sr. No.	Total Weight	Total Amount
1	3223.0	68175.0
2	2357.1	32157.6
3	2996.5	57064.0
4	842.8	22507.0
5	1250.7	26922.7
	10670.1	206826.3

Case -2

In the 2nd round of market linkage, all 4 FPOs were linked with different Mandisnamely- Jodhpur, Jaipur, Assam, Delhi in which following turnover was done by each FPO:-

S No	Name of FPO	Block	Quantity (in Kg)	Total Value (In Rs)	Total Benefit (In Rs)	Benefit (Per Kg in Rs)
1	Asnawar SantraKishan Producer Company Limited	Jhalrapatan	28,500	3,08,640	54,331	1.90
2	UdaysantraKisan Producer Company Limited	Bhawani Mandi	35,700	3,22,000	91,946	2.57
3	VasudevsantraKisan Producer Company Limited	Sunel	27,800	2,50,290	83,430	3
4	SaroniyaSantraKishan Producer Company Limited	Raipur	27,000	2,97,330	62,100	2.30

S No	Name of FPO	Block	Rate (In Rs/Kg) offered in Local Mandi of Jhalawar	Rate (In Rs/kg) offered in outer Mandi	Benefit realised (in Rs/Kg)
1	Asnawar SantraKishan Producer Company Limited	Jhalrapatan	8.9	10.8	1.9
2	UdaysantraKisan Producer Company Limited	Bhawani Mandi	6.4	9	2.4
3	VasudevsantraKisan Producer Company Limited	Sunel	6	9	3
4	SaroniyaSantraKishan Producer Company Limited	Raipur	8.7	11	2.3

Impact

In Case-1, it can be seen that the procurement done and rates offered by Veg Fru was much better as compare to local mandis. The Average benefit for each farmer was Rs 4/Kg which they would have loses if they supplied into the local Mandi wherein case-2, the benefit per kg was 2-3 Rs in all 4 blocks. Apart from the monetary benefits, Farmers also learnt the Grading process, packaging, bargaining skill, negotiation skilletec. Since the procurement was directly done from their field, they were able to save their transportation cost also. Farmers were more convinced and agreed that FPO concept is highly beneficial and much needed for them.

Lesson learned

During the procurement process , It was realised that high transportation cost, lack accessibility to market information, poor quality of produce, lack of negotiation and bargaining skill, high labour cost, dominancy of traders, lack of credit facility, etc. has play a major role which has hindered the benefit for farmers. For that, following support can be extended through FPO establishment:-

- Transportation costs may be brought down by establishing primary markets in suitable places and within reasonable reach of the farmers. Further, setting up of processing plants in the growing areas would help in reducing the marketing costs particularly transport cost.
- Awareness must be created among the farmers on systematic harvesting to maintain quality so that they can export to other countries to get prices.
- Adequate infrastructure pertaining to quality maintenance provided may be to farmers.
- Government should take necessary steps to improve market intelligence system regarding market information like commission agent charges, prices etc.

Supporting images



Grading of Oranges



Negotiation meeting on rates offered



Collection centre opened for Oranges



Packaging and Transportation

Additional Information

For more information, please contact to:-

Hemant Kumar Dixit

Access Development Services

A-36, Golimar Garden, Behind/Sehkar Bhawan, Sehkar Marg

Jaipur (Rajasthan) - 302004

Contact:- 0141-2740456

Mobile:- +91-7877778880

*Web:- accessdev.org/**