



Comparative Analysis of Market Led Initiatives by Producer Groups in Odisha

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ABSTRACT

The study was carried out during 2013 to compare range of market-led initiatives (MLIs) pursued by 88 producer groups, covering 9 districts in the state of Odisha. Producer groups have been evolved under 5 different programs viz. Agriculture Technology Management Agency (ATMA), Swarna Jayanti Surojagar Yojana (SJSY), Orissa Tribal Empowerment Livelihoods Project (OTELP), Farmers' Club (FC), Western Orissa Rural Livelihoods Project (WORLP). Based on the empirical observations on collective action undertaken by the producer groups, the range of MLIs has been classified into 5 categories viz. input aggregation, access resources (credit), access technology, value addition and marketing. Highest proportion of producer groups under ATMA, SGSY, OTELP, FC and WORLP had been reported to access technology (30.20%), access resources (30.00%), access resources (25.76%), marketing (30.13%) and access technology (29.04%) respectively. The project wise comparison of range of MLIs by X² test recorded significant difference at 1% level. Thereafter, the enterprise-wise comparison of range of MLIs yielded that highest proportion of producer groups with agriculture/ horticulture, livestock/ fisheries, mixed system, agri-processing and others (off-farm) enterprises undertake MLIs such as input aggregation (26.21%), access technology (28.00%), input aggregation (27.72%), marketing (28.13%) and access resources (27.17%) respectively. The X² test conducted to compare the results of enterprise-wise comparison of range of MLIs resulted in significant difference at 5% level. No significant difference was observed between MLIs when compared agro-climatic zone wise. Therefore, facilitators engaged in formation, supporting and strengthening of producer groups should inherently align the purpose of group formation with that of range of MLIs undertaken, so as to accomplish the desired outcomes.

Key Words: Collective marketing, Fund, Input aggregation, Market-led initiatives, Producer group, Technology access, Value addition,.

INTRODUCTION

Agricultural growth is the most effective route to inclusive growth, especially when the share of agriculture in the Gross Value Added (GVA) is just above 17 per cent (2014-15) which is contributed and shared by more than half of our population. Further, within agriculture sector, the inequitable distribution of landholdings *i.e.* 85 per cent of small and marginal farmers are cultivating in 45

per cent of land area; which makes the small and marginal farms as the poverty hotspots of the country. The Government of India announcement of doubling the farmers' income by 2022, comes as an endorsement of multiple strategies aiming for a sense of income security to farmers in a time bound manner. Amongst all, the engagement of farmers in market has been vouched as one of the key drivers of income change (NABARD, 2016).

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Under various developmental projects and programmes the State Government with support from Govt. of India and/or donor agencies is attempting to improve the livelihoods of rural people in general and farmers in particular. In order to improve the agricultural productivity and market access in impacting the livelihoods, farmer groups have been promulgated. The overarching objective of evolving farmers' groups has been; the social capital compounded with economic capital of otherwise resource poor and disadvantaged farmers would make the agricultural system more competitive with effective management of resources in production and marketing.

Although group approach has remained the cornerstone of development in all of the programmes but there are subtle differences relating to objectives and approaches of programme planning and delivery. The producer groups had been promulgated as a mean to usher in social capital to enable the groups to pursue appropriate high-value crops, livestock and/or other agri-enterprises that would increase farm household income (Mishra and Swanson, 2009).

Fundamentally, market-led initiatives (MLIs) are set of interventions specifically designed to garner more profit and in the process bringing out better efficiency in production and delivery of goods and services. In the same parlance, the developmental projects usher in different MLIs for the farmers' groups in triggering higher economic return to the member farmers. Typically, the MLIs adopted for the producer groups would include one

or multiple activities viz. collectivize agri-inputs and/or outputs, higher technological uptake, better handling of produce (transportation, cleaning, grading, sorting, packaging etc.) change in form (or not change in form), contractual arrangement, certification or quality standards, accessing distant market, accessing market information and consumer's demand, promoting local brands etc. Under this study, attempt has been made to compare the 'range of MLIs' pursued by 88 producer groups, covering 9 districts in the state of Odisha, India.

MATERIALS AND METHODS

The study was undertaken during 2012-13, wherein 88 farmer groups were studied supported by 5 different programs viz., Agriculture Technology Management Agency (ATMA), Self Help Groups (SHGs) under Swarnajayanti Gram Sworajgar Yojana (SGSY), Orissa Tribal Livelihood Empowerment Project (OTELP), Farmer's Clubs of National Bank for Agricultural and Rural Development (NABARD) and Western Orissa Rural Livelihood Project (WORLP), in 9 districts of Odisha state. Each group leader (President / Secretary / Treasurer) and 4 group members from each group were interviewed individually to assess the range of MLIs pursued by their farmer group. Altogether, 440 farmers hailing from 88 farmer groups were interviewed with pre-tested questionnaire. They were asked to rank the 'range of MLIs' based on the priorities with which their group pursue these MLIs. Each farmer was asked record his/her preference by giving 'highest rank'

Particulars	Abbreviation	Formula
Range of Market-Led Initiatives (farmer wise) :	RMLIF =	$RMLI_i + RMLI_{ii} + RMLI_{iii} + RMLI_{iv} + RMLI_v$
Range of Market-Led Initiatives (farmer group wise) :	RMLIFG =	$(RMLIF1 + RMLIF2 + RMLIF3 + RMLIF4 + RMLIF5) / 5$
Range of Market-Led Initiatives (Project wise)	RMLIP =	$(RMLIFG1 + RMLIFG2 + RMLIFG3 + \dots + RMLIFG_n) / n$
Range of Market-Led Initiatives (Enterprise wise)	RMLIE =	$(RMLIFG1 + RMLIFG2 + RMLIFG3 + \dots + RMLIFG_m) / m$
Range of Market-Led Initiatives (Agro-climatic zone wise)	RMLIAC =	$(RMLIFG1 + RMLIFG2 + RMLIFG3 + \dots + RMLIFG_q) / q$

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to that MLI which has been perceived as the ‘most important one’, and so on for all other ‘range of MLIs’, keeping in view the overall objectives of the group. As there were five ranges of MLIs viz. input aggregation, access to fund/ credit, access to technologies (for production), value addition, collective marketing; thus, each farmer member had given rank score for each ‘range of MLI’, 5 for the highest rank and 1 for the lowest rank. The mean score for each farmer group was calculated by taking average of the scores obtained for the member farmers. The following formulae were used for calculating the ‘range of MLIs’ (RMLI) score for the farmer member, farmer group, project wise, enterprise wise and agro-climatic zone wise.

Based on the number of observations in the respective ‘range of MLI’, the frequency was calculated as the percentage of the total observations, so as to compare the ‘range of MLIs’ in percentage between 5 projects (ATMA, SGSY, OTELP, Farmer’s Club and WORLP), between 5 agro-enterprises (Agriculture-Horticulture, Animal Science-Fisheries, Mixed Farming System, Agri-Processing and Others) and between 3 broad agro-climatic zones (Coastal Plain, Hilly Terrain and Inland Plain) of the state. In order to assess the test of significance, the chi-square test was conducted as a descriptive measure of the magnitude of the discrepancies, using the formula, as given hereunder;

$$X^2 = (O-E)^2 / E, \text{ where}$$

X^2 = Chi Square value, Σ = Summation, O = Observed frequency, E = Expected frequency

RESULTS AND DISCUSSION

Analyses of range of MLIs across projects

It may be construed that the producer groups used to imbibe primary mandate of the project under which those were groomed and accordingly pursued their MLIs. Citing the case of producer groups under ATMA and WORLP had adopted the access to technologies/ production’ as the principal MLI, similarly producer groups under SGSY and OTELP had identified access to inputs / credit as their primary MLI and the groups promoted as Farmers’ Club subscribed to collective marketing as the most important MLI.. Catholic Relief Services (2007) concluded that independent of the country, the cultural setting or the group formation methodology used, over the 70 per cent of the group of poor farmers visited were proactively trying to acquire three or more of the five skill sets, viz., group organization and management; internal savings and lending; sustainable production (including improved natural resource management); experimentation and innovation (knowing how to access and apply new technology) and basic market skills.

The producer groups undertook focused enterprises as their economic activities but the

Comparison of range of MLIs (Project wise)

Table 1. Range of MLIs in percentage for the 5 projects.

Values in percentage

Sr. No.	Range of MLIs	Name of the Projects				
		ATMA	SGSY	OTELP	Farmer’s Club	WORLP
1	Input Aggregation	24.87	22.87	16.35	18.87	20.15
2	Access Fund / Credit	18.53	30.00	25.76	18.13	14.08
3	Tech Access / Production	30.20	14.13	23.85	11.27	29.04
4	Value Addition	11.40	15.20	11.93	21.60	14.81
5	Collective Marketing	15.00	17.80	22.11	30.13	21.92

The X^2 value was observed to be 37.98, which was highly significant ($P < 0.01$).

Comparison of range of MLIs (Agro-climactic zone wise)

The range of MLIs in percentage for the 3 agro-climatic zones were calculated as depicted below;

Table 3. Range of MLIs in percentage for 3 agro climatic zones.

Sr. No.	Range of MLIs	Agro-Climate Zone		
		Coastal Plain	Hilly Terrain	Inland Plain
1	Input Aggregation	14.67	27.28	28.40
2	Access Fund / Credit	18.63	27.67	25.37
3	Tech Access / Production	30.31	21.15	21.43
4	Value Addition	14.13	9.81	11.77
5	Collective marketing	22.27	14.09	13.03
	Total	100	100	100

The X² value was observed to be 13.19, which was non- significant.

variations existed with respect to the MLIs pursued by different enterprise-groups. An attempt was made to reason out and draw lesson from the observed 'range of MLIs'. The input aggregation was pursued by both producer groups with 'agri-horti' and 'mixed farming' enterprises; it might be due to the fact that the member farmers in these groups intended to procure diversified inputs collectively with an underlying motive of reducing the 'cost of production'. The producer group with 'AH-Fisheries' enterprise primarily pursued 'access to technologies/ production' as its MLI; which might be due to high-end of technologies in production process that could be effectively managed on a collective basis. The producer group undertaking

agri-processing enterprise collectively pursue value addition as the principal MLI. Similarly, Helen and Ruth (2006) compiled the activities ranging from organization around production (potato farmers in Uganda) to processing (dairy groups in Tanzania, dairy and fruit agro-enterprises in Colombia) to trading (cheese makers in Syria). In addition several examples from Africa highlighted that collective activities can be undertaken around bulking, sorting, storage and quality grading. Siddiqui (2008) pointed out that in India, group worked as link to empowerment, providing support, meeting economic needs through income generating etc. The use of group was to form common interest groups or self help groups to help specific clients for

Comparison of range of MLIs (Enterprise wise)**Table 2. Range of MLIs in percentage for the 5 enterprises.**

Values in percentage

Sr. No.	Range of MLIs	Enterprise				
		Agri-Hort	AH- Fish	Mixed	Agri-Processing	Others
1	Input Aggregation	26.21	22.44	27.72	16.4	25.17
2	Access Fund / Credit	22.08	13.44	21.42	14	27.17
3	Tech Access / Production	18.04	28	25.42	18	11.51
4	Value Addition	15.70	15.84	9.14	23.46	9.51
5	Collective marketing	17.96	20.28	16.28	28.13	26.67
	Total	100	100	100	100	100

The X² value was observed to be 36.68, which is significant (P<0.05).

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achieving specific needs through collective efforts. Formation of self help groups was major activity thrust in working with poor women in particular, with the objective of promoting income generation or saving and credit groups.

CONCLUSION

It was evident from the study that the producer groups apparently similar in their structural framework but varied in subtle terms with respect to their strategic focus and operational modalities. The groups followed five broad range of MLIs, viz. input aggregation, technology access, access funds/ credit, value addition and collective marketing. The groups' priorities in pursuance of the MLIs varied. The variations could be attributed to the institutional support and approaches ushered in by the concerned projects, under which the groups had been evolved. Further, the type of agri-enterprises also had a bearing on the MLIs pursued by the groups. However, the variation across agro-climatic zones of the state did not affect significantly the range of MLIs followed by groups. This sets forth a strong recommendation to the developmental functionaries to follow group-specific, clientele specific and enterprise-centric market-led interventions (MLIs) that may be adopted

while planning and implementing developmental programmes for the producer groups. Therefore, facilitators engaged in formation, supporting and strengthening of producer groups should inherently align the purpose of group formation with that of range of MLIs undertaken, so as to accomplish the desired outcomes.

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- Received on 06/05/2017 Accepted on 12/06/2017*