

CO-OPERATIVE TO CORPORATION

- A Success Story

Food Supply Chain



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FOOD SUPPLY CHAIN INITIATIVE

The journey of Uttarakhand Gramya Vikas Samiti (UGVS) with farmers has developed step by step, every challenge in the corner has led to a sort of innovation. Hilans has emerged as the marketing window for farmers to ameliorate the distress caused to them due to wastage of excess produce. Surplus harvest needs to be incentivize, if not now when the system will be in place, the sojourn has begin and definitely the one who grows efficiently will be able to earn better profits.



LC Women Members in Hilans Outlet

From the year 2013 onwards, Hilans operation has generated a total turnover of Rs 41.69 Crores. Seventy Livelihood Collectives were able to generate this. A state where farmers left their land barren in lieu of incurring losses, successful supply chain linkages under the guidance of UGVS led to the procurement of Uttarakhand's local produce by brands like Emami, Organic India, Mother Dairy, Pahari Products, SOS Organics Trade India etc.

Table below mentions the Livelihood Collectives Business Turnover through Food Supply Chain

70 Federations Cumulative (Sep 2013 Onwards) Turnover	Rs 41.69Cr
No. of Federation Business Turnover > Rs 2 Cr	3
No. of Federations Business Turnover between Rs 1Cr to 2Cr	6
No. of Federations Business Turnover between Rs 50 lakhs to Rs 1Cr	32
No. of Federations Business Turnover < Rs 50 lakhs	29

In 2017 an umbrella Brand HILANS was registered for the produce of farmers associated with Uttarakhand Gramya Vikas Samiti (UGVS). Now all UGVS federations in the entire state of Uttarakhand are selling their products under the same brand name having a registered FSSAI number. Local produce like Manduwa, Red Rice, Coriander, Turmeric, Yellow Chilly etc which either were wasted or sold at meager prices are now being sold not only in metro cities but at Amazon with decent pricing.

Mandawa biscuits made by Women members of Monal Ghati in Bageshwar are high in demand. On 29th April 2018, Prime Minister Shri Narendra Modi in 43rd Episode of Mann ki Baat a radio programme appreciated these biscuits made of manduwa flour by Women member of Livelihood Collectives(LC) of UGVS.



Prime Minister of India Praising Hilans Mandawa Biscuit in a radio programme Mann ki Baat

Until little less than a decade back, subsistence farming was practiced where farmers grew rain-fed traditional crops rice, wheat or millet for their own needs. Surplus was sold to middlemen at throw away prices These practices underwent a rapid change from the year 2013 to 2018, with UGVS new initiative of Food Supply Chain establishment towards strengthening of cooperative farming and marketing.

The report below aims to unfold the ways in which UGVS efforts led to the above achievement from the beginning.....

Uttarakhand is primarily a mountainous state with only about twenty percent of its total geographical area in the plains. While commercial agriculture is practiced in the plains, the hill farmers mainly practice subsistence farming. More than seventy five percent of the population depends on agriculture for their livelihood. The average size of holding in the state is around 0.98 hectare.

Another feature typical of hill farming is the small and scattered land holdings. Majority of farmers practice rain-fed farming bereft of irrigation. Major crops grown are rice, wheat, maize, soybean, pulses and oilseeds. Major fruits grown are mango, litchi, guava, apricot, kiwi while major vegetables grown are potato, tomato, green pea, cauliflower, spinach and capsicum. Rain fed crops are Amaranth, Millet (Manduwa), Jhangora, local varieties of rice and wheat.

Farmers who are mainly women face many challenges, of both technical and economic nature. The sparse and scattered population prevented the development of market-based institutions in far off regions, which needed a minimum scale in order to operate.

The structural problems made these areas completely unsuitable for large scale, mechanized, input-intensive modern agriculture. Even small scale, localized cash crops were not remunerative because



Women Farmers of Uttarakhand

transportation and transaction costs are prohibitively high for a small farmer. Moreover, the cash crops requires higher levels of investment but the overall backwardness of these places prevented the development of financial institutions that may provide credit to these farmers. In dearth of market for crop consumption either the crop used to waste or perish, was not even left suitable for animal consumption.

The cultivable land was mostly used for low income subsistence agriculture. Due to the non-availability of remunerative employment opportunities in the region, the men-folk would either join the army or migrate in large numbers from the mountain areas to the cities and towns all over the country in search of employment. Their families are left behind and are dependent on the remittances.

Uttarakhand Gramya Vikas Samiti (UGVS) had been working in the nine hill districts of Uttarakhand since over a decade. It has formed federations of farmers, grants to setup corpus per Livelihood Collectives(LC) which is time and again used by the farmers for various farming needs.

Witnessing closely the challenges faced by the hilly farmers, UGVS along with various grassroots level NGOs, envisaged to develop effective, farmers friendly and hill compatible supply chains to economically benefit the farmers. The aim was to establish supply chains which would serve many functions like link producers, processors, marketers and distributors. It would allow buyers and sellers who are separated by time and space to progressively add and accumulate value as products pass form one member of the chain to the next.

The Food Supply chain initiative was started with following main objectives:

- products move from producers to consumers;
- payments, credit and working capital move from consumers to producers;
- technology and advanced techniques are disseminated among producers, packagers and processors;
- information on current customer demand and on retail level product preferences pass back from retailers to producers.
- to ensure the involvement of small farmers and other producers in these demand sourcing networks as well as the institutional initiatives that help them to meet the stringent food safety and quality regulations.

UGVS along with various NGOs initiated two main types of Agri-food supply chains. One being the Agri-food chains for fresh agricultural products like fruits and vegetables. The other being the Agri-food chains for processed food products like flour, spices, biscuits, polished rice, juices, pickles etc.

UGVS sensitized LC farmer members about the importance of supply chain, value of the farm produce and advantages of direct marketing. UGVS's long association with farmers and its work at grassroots helped gaining the trust of farmers and the story of selling vernacular produce to establishment of an Umbrella Brand, HILANS gained momentum.

Pre-Production Initiatives: UGVS formed village level groups of farmers who were actively involved in supply chain initiatives in 37 Block of 9 Districts. The groups were categorized as:

- **Producer groups** - these were farmers owning farm lands
- **Vulnerable Producer Groups** - members of these groups were landless farmers
- **Self Help Groups** - mixed type of farmers doing monthly savings

These groups joined together to form Livelihood Collectives at District Level, on an average each LC has around 500 members.



Farmers Learned Seed Sowing Technique for Better Production in Village Jujurali, Pithoragarh

Various capacity building exercises were conducted to enhance productivity of farming and farmers. Farmers were trained on ways to increase productivity, soil and water conservation methodologies, better quality seeds, linked with various subsidy scheme of government for agricultural productivity enhancement.

The table below illustrates the targets and achievement of the number farmers associated in the initiative till 2018:

9 Districts and 37 Blocks			
S.No	Particulars	Target	Achievement
1	Producer Groups	7300	8087
2	Livelihood Collectives	130	131
3	HH Covered in PGs	73000	73017
4	Self Help Groups	3607	3607
5	Federations	72	72

Farmers were linked with various innovative projects of the government departments, boards and other agencies. Like 161 LCs benefited from state governments Farm Machinery Bank Initiative. Fencing initiative helped reduce man-animal conflict. Farmers were linked with rural finance schemes and small grant projects.

Post Harvest Initiatives: Generally, a significant proportion of post harvest crop losses occur due to decay, physical shocks, pests and diseases. These challenges were addressed with development of proper storage infrastructure and efficient crop protection practices mentioned below :



Women of Mathuro Village collecting Potato at Village Level

- To facilitate the post harvest management various collection centres, outlets, haat bazaar were operationalized with UGVs guidance.
- Small Collection centres were established which served as aggregation point at village level. By September 2018, 359 small collection centers are functional and 167 more are under construction. The total target is establishment of 600 such centres.
- Collection Centres began functioning as an aggregation point for farmers produce sorting, grading and packaging. It also serves as business identity and Agri-business centers. The target was establishment of 130 enters, currently 43 are functional and 87 are under construction. These centers consists of 2 rooms, toilet, gallery and outlet. Collective marketing initiatives by LCs are planned at these centres.



Small Collection Centre, Almora

- Kisan Outlet or retail stores named Uttarahaat were opened. At present 111 outlets at cluster level, 10 outlets at District level and 1 outlet at State level are functional. Farmers products are sold here.
- Weekly Haat Bazaars or open air markets provide a marketplace for local communities. Village level groups participate regularly in 13 Haat Bazaar serving as a trading venue for local people in villages.
- Seven Nano packaging units have been established in project sites. It enables light weight, stronger packaging, which protect food quality during transportation, prolongs fruits and vegetable freshness during storage.



Collection Centre, Chamoli

- Eight cold storage rooms are in the process of establishment to restore freshness of perishable fruits and vegetables.
- Pick-up Van - Federations are in the process of acquiring pick up vans to pick up raw material and deliver finished products at nominal cost as per their own convenience.



Women Farmers Selling Vegetables and Fruits in Weekly Haat Bazaar

Additionally processing units were also setup close to the farms to increase the shelf life of perishable food materials. These units also helped in reducing transportation and logistics expenses.

The table below lists various other enterprises or units established :

S.No.	Particulars	No.	Place
1	Multiprocessing Unit	1	Almora
2	Masala Unit	3	Pithoragarh, Almora, Uttarkashi
3	Biscuit Unit	1	Bageshwar
4	Chik-Chop Shop (Poultry)	1	Pithoragarh
5	Agriculture Tool Manufacturing Unit	1	Rudraprayag
6	Milk Parlor/Milk Bar	2	Uttarkashi, Bageshwar
7	Processing Unit (Flour Mill, Pickle, Juice etc)	28	Almora, Bageshwar, Chamoli, Tehri
8	Home Stay	11	Uttarkashi

Farmers who were practicing only traditional farming for self or had left their fields barren because of negligible income, have now started earning decent profits from above efforts. For instance in the financial year 2018-2019 till August 2018, a turnover of Rs 5.94Cr was generated, earning net profit of Rs 19,50,043.



Women Farmers with Bumper Tomato Harvest

Deepa Saun who was struggling to meet her families daily needs by selling milk, is now she saves Rs 30000 to Rs 35000 annually after all expenses. She is member of Chonu Baba Sahahita Shakarita, resident of village Kuseri, Munakot Block, Pithoragarh. She used to do traditional farming only with meager harvest which was just sufficient for her families consumption. She was finding it hard to sustain her family of 6. Her life started changing three years ago when she became a member of a LC under the ILSP programme of UGVS. She was trained to enhance farming production, was given good quality seeds and was guided to grow vegetables. With technological support now she is able to make Rs 50000 just buy selling Cabbage and Tomato in her 5 small farms. With direct market linkages she is getting better rates for her produce. She hopes that UGVS opens more outlets so that she doesn't have to face days when she is forced to sell tomatoes to local vendors for avoiding damage. Seeing the profits she has started cultivation on left over barren neighboring farms of people who have migrated. She has started growing pulses, spices, millets. She hopes that one day market for HILAN would grow manifolds that all her produce will be sold under the brand Hilans



Hilans Outlet – Uttaraahaat in Dehradun

Few milestones achieved in Supply Chain Linkages at post harvest level:

Branding: The products were liked by the customers, people were buying it and more demands were placed. To get the product in front of prospective customers in bigger cities and later in International markets, branding was a vital component. UGVS developed an Umbrella Brand named HILANS for all the products, it was registered and FSSAI number was obtained.

Standardized Packaging: A clean, attractive and succinct packaging was designed and developed displaying vital information about the product.

Establishment of Sorting, Grading and Packaging Unit: In this unit inspection, assessment and sorting of various foods is done regarding quality, freshness and market value. Grading is done by hands, in which foods are assessed and sorted.

E-Marketing: In today's technological era, a lot of customers depend on their smartphone's in purchasing products and services. E-marketing through the internet is an important way to build strong relationships with potential customers. It also expands the reach to global market. In a bid to gain profits from E- Marketing, UGVS is working towards selling Hilans products on Amazon and through their Facebook page.

World Food Day: Hilans products were displayed at United Nations office in New Delhi on World Food Day held on 4th October 2018. An appreciation certificate was given to Hilans.

Recipe book: A recipe book containing delicious recipes of local pulses, grains and spices has been published.



Corporate partnerships:

- Emami purchased Kutki from a federation Roopkund SRC, Ghaat, Chamoli
- Organic India procured organic millets and traditional crops
- Mother dairy purchased fruit and vegetables from Pragati SRC, Motiapatthar in Almora
- Pahari products.com Delhi has given orders for packed rice and pulses
- AMPC Mandi Haldwani procured potato from a federation in Chamoli
- SOS Organic Ltd procured traditional crops like Amaranths, Finger Millet, Barnyard millet, Red Rice, Rajma, Soyabean, Gahat, and Nettle grass from federations in Almora.
- Crop Connect is interested in buying
- Trade India is interested in buying



Women members making Pickles

Success Factors:

Inclusive Planning: Linking primary producers with modern food supermarkets is a way to improve rural livelihoods, especially for small producers. It was ensured by UGVS that the process of establishing linkages between markets or corporate and primary producers was not exclusionary in nature and becomes a advantageous situation for the participants in the value chain.

Timely Performance and Deliverables: To derive maximum benefit and apportion risk amongst beneficiaries, the timely performance of production and delivery commitments were assured.

Food Safety and Quality regulation: Special trainings, regular monitoring and checks were made to maintain quality.

Market linkages: Produce was supplied to large retail chain operators through market tie-ups and domestic customers through retails outlets in local and urban areas.

Umbrella Branding: Branding lead to high customer satisfaction and confidence in the purchase.

Changing Demands of Urban Population: Changing consumer preferences and eating habits, bend towards consuming organic and traditional food this provided opportunities for creating added value. Recently there has been a shift in Indian diet featuring a move away from inferior goods to superior goods. The increased demand for fruits and vegetables due to the diet changes of urban population offered more market linkages for hilly produce most of which is organic naturally.

Apex Institution: UGVS is working towards setting up an Apex Institutions for strengthening its existing enterprise. This institution would anchor all services from pre-production inputs, post harvest management and creation of effective market linkages.



Marketing Outlet at Uttarkashi

Recommendations:

Efficient Social Media Strategy: Social media will play a great role in marketing Hilans products. Though efforts have been made to develop Facebook pages namely Hilans and Hilans Bageshwar but it require a lot of professional handling to reach out to more large consumer base.

Marketing Team: A dedicated and competent marketing team need to be formed to form a strong interface between the unexplored consumer presence in national and international market.

Branding Campaign: Hilans should be established as a compelling brand attracting a broad base of consumers.

Expansion in retailing: Hilans should form tie-ups with wide range of stores with national and international outreach.

Innovative Food Strategies: Diversified processed food range in sweet and snack should be developed under Hilans.

Innovative local foods along with prevalent market needs should be considered in the development of new product.

Excess fruit production should be processed or sold in the dried fruit market which is high in demand in urban and international markets.

Processed food such as tomato puree and its other variants required in the Italian culinary markets should be explored.

Himalayan Ghee which is high in demand due to its medicinal properties should be promoted with other dairy products which are regularly consumed in domestic food market.

Japan has developed a baby food out of Manduwa for its high nutrient content. Such collaboration will be of high value for Hilans as the nutrient quality of Uttarakhand millet is quite high and is preferred over its other counterparts.

Rainfed millet of Uttarakhand have high protein content and is organic in nature. This could be high value food for the physically conscious body building industry.

Spring water and medicinal plants are available in plenty in hills and is present at the center of fruit belt, a product such as Herbal Wine will derive good profit similar to the initiatives in Himachal Pradesh.

Processed meat and poultry products should be carefully designed to become a staple product.

Hilans should be envisaged to fulfill the daily need of an average Uttarakhand household grocery needs for the short term and the learning from it could help pitch the brand at national and international level.



Mobile Kiosks for UttaraHaat



उत्तराखण्ड शासन



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