

NRRI Success Story



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RICE VALUE CHAIN IN PPP MODE FOR INCREASING FARM INCOME AND ENTREPRENEURSHIP



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Introduction

Among the various approaches to increase farm income and promote entrepreneurship, the prospect of value chain is being advocated in agriculture and allied sectors. Dr. Trilochan Mohapatra, the then Director of ICAR-NRRI first made an attempt to operationalize in rice. According to him, the rice value chain besides having the fundamental benefits have some added prospective which were (i) rice will continue to dominate the farm production for various socio-economic and cultural reasons in spite of poor financial gains and market glut, (ii) demand in the national and international market for quality rice is quite apparent (iii) apart from farmers other stake holders can join the chain leading to creation of additional employment and (iv) quality and specialty rice varieties developed by research institutes can spread quickly with less investment in extension. Having the above logic in view, the planning for the model was initiated.

Planning the Model

Several brainstorming sessions, consultations and focused group discussions were held to decide the objectives, stake holders, activities, links, responsibilities of the party and benefits sharing. Finally, a chain emerged in PPP mode with the need for five parties including ICAR-NRRI, Cuttack.

The Process

The objective of the rice value chain was to promote large scale cultivation of high quality rice varieties of this institute in contiguous patches, undertake its processing and trade so that the consumers have access to its premium quality and all the parties involved in the value chain are benefitted. The first party i.e., ICAR-NRRI, Cuttack in consultation with rice processor and trader decided the variety *Geetanjali*, a long slender grain aromatic rice to include in the rice value chain. The institute being the developer of the variety and having knowledge about its characteristics is

involved in its maintenance and production of quality rice. The institute provides breeder seed of *Geetanjali* to a seed company for production of foundation seeds to be used by the participating farmers in the chain. Another group of stake holders in rural areas like farmer and farmwomen associations are involved which need to undertake survey of the rice ecology, motivate farmers to participate in the chain, monitor the production and arrange lifting of production by the rice processor-cum-trader. The final party in the process is the rice processor and trader who lifts the production from the production site and make immediate payment to the farmers at a price better than the MSP. The processor-cum-trader finally takes the responsibility to maintain the quality and take up market strategy including pricing to create a market demand for the rice variety. The responsibility and benefits for each party have been decided and agreed upon through a memorandum of participants (MoUs).

Parties in the Rice Value Chain

- 1st Party-ICAR-NRRI, Cuttack (for supplying breeder seeds of *Geetanjali*, technical backstopping and overall monitoring);
- 2nd Party-Sansar Agropol Pvt. Ltd., Bhubaneswar, (A Seed Company for multiply the truthfully labeled seeds and supplying seeds to farmers groups at desired destination);
- 3rd Party-Ananya Mahila Bikash Samiti Sankilo, Nischintakoili, Cuttack (A Farm women group for mobilizing large number of farmers and producing grains);
- 4th Party-Mahanga Krushak Vikas Manch, Cuttack (A Farmers group for mobilizing large number of farmers and producing grains); and
- 5th Party-Sabitri Industries, Pvt. Ltd., Mayurbhanj (Rice Processor and Trader for procuring grains from farmers' point at 20 percent above MSP, processing and marketing).



Signing of Five-Party 'Rice Value Chain' Agreement

A Rice Value Chain (RVC) workshop was organized by the ICAR-NRRI, Cuttack on 12th October, 2015 in the institute with the participation of over fifty participants from all the five partners of the RVC apart from HODs and associated scientists of the institute. Former Director of ICAR-NRRI and Founder of the RVC Dr. T. Mohapatra, the then Director -cum- Vice-Chancellor, ICAR-IARI, New Delhi was the Chief Guest.

The success of the first cycle

Under this programme, 6.5 qtls. of breeder seed of *Geetanjali* was supplied to M/s Sansar Agropol Pvt. Ltd., Bhubaneswar by ICAR-NRRI, Cuttack for multiplication of sufficient quantity of TL seed during the *kharif-2015*. A total of 49.5 acres were covered under seed production in four different locations of Odisha. About 500 qt of Truthfully Labeled (TL) Seeds were



Rice Value Chain Workshop



Field Trials under Rice Value Chain Programme for Aromatic Rice variety 'Geetanjali'



Payment made to the farmers for selling 'Geetanjali' paddy by 'Ananya Mahila Bikash Samiti'

produced by the company for covering about 1000 ha for production of rice during *rabi* 2015-16. The Monitoring Team of NRRI visited the different sites of seed production and gave suitable advice to the company for higher yield.

A brochure on "Package of practices of rice variety *Geetanjali*" was prepared in Odia and distributed to the farmers and the seed grower for their reference. Awareness programmes were conducted in selected localities with the participation of scientists of ICAR-NRRI, Cuttack and Miller as a confidence building step.

With the involvement and mobilization by the two farmers groups (3rd and 4th parties), the grain was produced in three clusters totaling 166 acres of Khurda and Cuttack districts involving 82 farmers during dry season/ *rabi*-2016. The average yield of the crop was recorded at 4-4.5 t/ha. After

keeping for seed and household consumption, 202 tons of paddy grains were sold by the participating farmers to the 5th party i.e., Sabitri Industries at the rate of Rs. 1,740/- per quintal (i.e., 20% above MSP), amounting to a total of Rs. 35.15 lakhs. Similarly, during *kharif*-2016 and *rabi*-2016-17 136 tons of paddy grains were procured by the Processor. Now, the grains are being processed and packaged for marketing by the 5th party. As per the agreement, payments were made to all the farmers within ten days from the date of procurement. Now, the grains are being processed and packed for marketing by the 5th party.



Paddy procurement from the farmers' doorstep

Citation

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