INTEGRATED LOCAL AND REGIONAL SM VALUE CHAIN DEVELOPMENT

Muniappan, Karthikeyan;

© 2018, DHAN FOUNDATION

This work is licensed under the Creative Commons Attribution License (https://creativecommons.org/licenses/by/4.0/legalcode), which permits unrestricted use, distribution, and reproduction, provided the original work is properly credited.

Cette œuvre est mise à disposition selon les termes de la licence Creative Commons Attribution (https://creativecommons.org/licenses/by/4.0/legalcode), qui permet l’utilisation, la distribution et la reproduction sans restriction, pourvu que le mérite de la création originale soit adéquatement reconnu.

IDRC Grant/ Subvention du CRDI: 108128-002-Scaling Up Small Millet Post-Harvest and Nutritious Food Products (CIFSRF Phase 2)
Integrated local and regional value chain development for small millets

Some observations and reflections

M. Karthikeyan, Program Leader

Dialogue on Millets, Monsoon and Market- 2018
MSSRF, Chennai
Outline of the presentation

• The need for local & regional SM value chain devt.
• Engagement of DHAN on SM value chain devt.
• Observations on SM value chain devt. in TN region
• Concerns
• Some thoughts on next steps
Improving nutrition security thro’ millets

• For millets to address triple burden of malnutrition & NCDs
  – They need to be consumed as ‘bulk foods’ by a large population
    • Millet foods have to transform from “niche foods” to “mass foods”.

• This “transformation” can happen only if
  – The multiple constraints of different millet value chain actors are addressed in an integrated way &
  – Local/regional millet value chains are created/strengthened
DHAN’s efforts for SM value chain devt. with partners since 2011

Enhancing millet production as part of local farming systems

• Community Managed Seed Systems - conservation, PVS & seed supply

• Addressing location specific constraints thro’ facilitating adoption of IPP & harvesters

• FPO promotion for organised production to ensure better price realisation
Promoting decentralized processing infrastructure

- Developing appropriate processing equipment
- Scaling up their reach thro’
  - Supporting 6 local equipment manufacturers to scale up availability
  - Facilitating adoption in 10 states across India through partners
    - Demonstration in 10 states
    - Orientation to potential buyers
    - Guiding new entrants in setting up of processing enterprises
    - Capacity building of SMPUs
    - Building a cadre of local mechanics
Local & regional market development

- Developed 56 appealing SM based food products
- Scaling up the reach of the food products thro’
  - On-site incubator support to 66 micro and small food enterprises
  - Strengthening millet porridge vendors
  - Disseminating in Central, East & North India
Promoting consumption of millets as part of local/regional food cultures

- Wider media & event based campaigns to generate demand
- Shortening of millet food chains to ensure supply at affordable price
- Engaging with
  - *Producers*: local SMPU & skill building
  - *Consumer organisations*: Capacity building & SM supply to 84 Women/ farmers federations
  - *Government*: Pilots on introduction in PFPs
Earlier Market Chain of Small Millets (other than finger millet) in TN region

Small Millet Farmers → Small Traders → Big Traders → Large Processors in Region (*semi-processing*) → Large Processors out of Region (2000 km away)

Wholesalers of Bulk Products → Retailers of Bulk Products → Consumers

Millet Porridge Vendors
Current Regional Market Chain of Small Millets

1. Small Millet Farmers
   - Small Traders
   - Big Traders
   - Large scale Processor in Region (full processing)
   - Large scale Processors out of Region

2. FPOs
   - KTL
   - Wholesalers of Bulk products
   - Village Processor
   - Equipment Manufacturers
   - Small scale Processor
   - Food Enterprises, NGOs
   - Wholesaler of Value added food products

3. Improved services
   - Retailers of Bulk & VA products
   - Consumers
   - Consumer organisations
   - Millet Porridge Vendors
   - WHolesalers of Bulk products

DHAN Foundation                      M. Karthikeyan karthikeyanrfd@gmail.com                             15-17/04/2018
Observations

- Regional value chain development is in progress
- Result of many actors
  - Media have contributed for market demand generation
  - Many private actors including processors and food enterprises have played significant role
  - Supportive role of Government
- Involvement of local actors has made the difference
  - All the initiatives of DHAN and its partners - equipment manufacturers, TNAU and food enterprises have significantly contributed
Observations

- The large scale processors in Tamil Nadu has contributed and benefited significantly
- Large scale food manufacturers yet to make their presence felt
Concerns

- Price fluctuation at farm gate level quiet high
  - Farmers and FPOs are not assured of viable price
- Supply chain constraints are still high
- Small scale local processors have to compete with large scale local processor - No level playing field
- Price at consumer level still high and varying
- Inadequate reach to the “bottom of the pyramid” consumers
- Less progress in making producers as consumers
- Influence of market devt. on diversity of SMs
Some thoughts on next steps

- Medium to long term regional level strategy for taking forward needed
  - Support and active role of government in the long term is crucial
  - Technology gaps need to be addressed
  - Twin strategy of (i) supporting market development & (ii) implementing ‘what market will not do’ to be followed
    - increase consumption among the “BOP” population
    - to strengthen the roles of women, farming communities and marginalised communities (STs and SCs) in the emerging millet value chains
Some thoughts on next steps

• Supporting market development
  – Lot of scope for innovation and role of multiple actors
  – Exclusive business devt. support to MSMEs - Equipment manufacturers, processors, food enterprises
    • Onsite incubation can be a key component
  – Business enabling support
    • Less taxes, easy credit, lessening entry barriers in the market, B2B meet, etc.
  – Evolving & ensuring regulation & standards
Some thoughts on next steps

• Doing what market will not focus
  – Boosting production thro’ focused support to the producers
  – Streamlining supply chain- assured prices, procurement by govt. like other commodities
  – Support for integrated interventions at different scales (micro to medium)
  – Inclusion of small millets in PFPs
  – Large investment on awareness and skill building through innovative campaigns
  – Focused support to non-profit actors- R&D organisations, NGOs, CSOs
Some thoughts on next steps

• Has high learning value for other regions with millets

• Scaling up the proven ‘working models on local/ regional small millet value chain development’ available in few states to other parts of the country holds promise
I thank our partners, value chain actors & supporters!