

Strategy Paper on 'Development of Onion Storage Godown'

Background

The Western Belt of Orissa, specially Nuapada, is a well known Onion Belt and concerning its climatic zone, onion is cultivated in a large area. However this activity doesn't yield much to the rural folk as they dispose off their produce at the village level at a throughway price. This is mainly due to high level of poverty, lack of storage facility, poor risk bearing ability, & lack of Entrepreneurship as well as marketing avenues.

Objective

- To stop the practice of 'distress selling'
- To provide adequate financial support to meet production and day to day expenses.
- To provide income security and opportunities to small and marginal farmers.
- Increase in production, marketing & technical skill due to knowledge transfer.
- To put an end to the exploitative price spell at local level
- To enhance collective bargaining power and thereby empower women groups

Impact

- Distress migration has been checked due to increased income level
- Standard of living has increased with increased expenditure to meet the consumptive needs.

Connection with Project Logframe

Sustainable livelihood, particularly for the poorest, promoted in four districts in replicable way by 2010.

Assumptions/Key Issues

- Onion producing sector is highly unorganized and individual approach adopted for cultivation.
- Farmers compelled to dispose off their product at exploitative spell due to lack of Market Intelligence and proper Marketing facilities.
- Due to 'isolated approach' not able to extract benefits out of production, storage, marketing, etc.
- Unaware of modern techniques and due to lack of investment propensity, the farmers were forced to resort to traditional ways of farming.
- Don't have access to HYV seeds and other related inputs.
- Inadequate financial support due to which high dependent on money lenders for production & marketing.
- Farmers reluctant to store for a long time to meet their immediate consumptive need.

Strategic Choice

- ❖ Organizing the unorganized
- ❖ Provision of financial and extension support
- ❖ Capacity Building on technical and group management aspects
- ❖ Technical up gradation/implementation of storage facility for multipurpose use
- ❖ Establishment of marketing linkages for higher profitability
- ❖ Transfer of appropriate technology and its sustainability

Activity Description

Strategic Choice	Activity Description	Milestone	OVI s	MOV	Resource required
Organizing the unorganized	<ul style="list-style-type: none"> • Identification of onion growers basing their interest, available skill, and past growing practices • Organizing onion growers into LGs/SHGs • Adopting thrift & credit procedures to generate savings. • Systematising the records for SHG mgt. and accounts related to onion enterprise • Federating the onion grower SHGs for better credit mgt. 	All the growers, specially the deprived & poor category farmers have been covered.	<ul style="list-style-type: none"> ▪ LGs of onion growers exist in Watershed ▪ SHGs are able to contribute 25% of operational cost from the savings pooled. 	<ul style="list-style-type: none"> ▪ Records maintained at WDC/PIA level. ▪ Bank Pass Book 	<ul style="list-style-type: none"> ▪ Village worker/Paraworker for identification & organizing individual into groups.
Provision of financial and extension support	<ul style="list-style-type: none"> • Providing of R.F./term loan to the tune of Rs.25,000 for a period of 6 to 7 months to enable them for better production. This can be utilized for: <ul style="list-style-type: none"> ○ Purchase of better seeds ○ Digging up of wells ○ Fencing up of boundary walls ○ Land preparation ○ Wages of laborers ○ Purchasing minor farming related instruments. ○ Mainly, meeting day-to-day expenses during storage period 	SHGs have received the term loan and onion godowns constructed	<ul style="list-style-type: none"> • In onion grower SHG's A/c. a sum of Rs.25,000 has been released from WS+ Fund. • Yield per hectare has increased and the quality of onion grown 	<ul style="list-style-type: none"> • SHG Credit ledger • Observation during Field visit • Meeting with SHG members 	<ul style="list-style-type: none"> • Provision of term loan from WORLP, WS+ Fund @ Rs.25,000 per SHG <i>In one W/S: 2 SHGs promoting two structures. So total cost is Rs.50,000</i> • Provision of

	<ul style="list-style-type: none"> • Providing varied choice for quality seed selection • Assisting them in construction of onion godown. • Distribution of IEC material 		<p>is better the previously grown.</p> <ul style="list-style-type: none"> • Onion godowns constructed in Watershed area. • IEC materials available with onion grower SHGs 		<p>better quality seed, HYV seed, by Hort. Dept.</p>
<p>Technical up gradation development of godown structures for multipurpose use</p>	<ul style="list-style-type: none"> • Group members must be motivated to develop storage godowns using indigenous techniques ,i.e bamboo,straw, etc. • Facilitating SHGs for multifarious use of godowns <ul style="list-style-type: none"> ○ Storage of dry vegetables like potato, onion, etc. ○ Cultivating mushrooms. • Promotion of onion processing , i.e onion powder (flourishing in Nasik) • Members can use godown for storage of other's product for which they can charge service fees 	<p>Existence of low cost onion godowns in the Watershed region</p> <p>Members are able to store onions and other vegetables for longer duration.</p> <p>SHGs are able to generate income from the charged service fees.</p>	<ul style="list-style-type: none"> • Godowns constructed in proper location. • Members using godown for storing dry vegetables. 	<ul style="list-style-type: none"> • Field visit • Porgress reports by PIAs 	<ul style="list-style-type: none"> • Technical Trainings to members • Raw materials/ finance for godown construction
<p>Creation of marketing linkages for</p>	<ul style="list-style-type: none"> • Stopping the practice of 'distress sale' of onion during the time of harvest. 		<ul style="list-style-type: none"> • Sale during harvest season is normal. 	<p>Field report Discussion with PIAs</p>	<p>Linkage support through marketing agencies,i.e</p>

higher profitability	<ul style="list-style-type: none"> Establishing long term network with identified traders at big onion trading hubs, i.e Aiginia (Bhubaneshwar), Malgodown (Cuttack) 		<p>Farmers opting for storage</p> <ul style="list-style-type: none"> Onion being transported and sold in bigger markets 		ORMAS, etc.
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Capacity Building

Key variables

Attitudinal change

- Generation of group spirit
- Collective action and collective bargaining

Technical knowledge and skill enhancement

- Maintenance of basic books/accounts at group level.
- Skill development related to cultivation and production
- Technology transfer (construction and maintenance of godown)

Capacity Building Calender

Sl. No.	Objective	Content	Method	Duration	Resource Person/ Organization
1)	To educate the formed SHGs regarding mgt. practices and book keeping	<ul style="list-style-type: none"> • SHG & it's benefits • Importance of savings • Book Keeping & Accounts 	Residential trg.	3 days	Bare Foot trainers from CASHE project, Ganjam.
2)	To develop technical knowhow related to construction of Onion Godown and it's mgt.	<ul style="list-style-type: none"> • Practical on construction • Cost-Benefit analysis of structure • Durability, Storage Capacity • Mgt. on multipurpose use of godown 	On-field trg.	3 days	SVA, Bilenjore
3)	Orientation on marketing techniques & cultivation practices	<ul style="list-style-type: none"> • Improved farming & pre-harvesting techniques, • Use of HYV seeds • Gradation, standardization • Marketing & Selling techniques • Value Additioning 	Orientation workshop	1 day	ORMAS for marketing techniques Hort./Agr. Dept. for improved cultivation practices
4)	To observe and add to theoretical learning	<ul style="list-style-type: none"> • Onion Godown structure (location, storage capacity, etc.) • Group dynamics & thrift and credit among SHG members • Onion cultivation practices 	Exposure visit	2 days	ORMAS support organization's field.

		<ul style="list-style-type: none"> • Understanding of marketing system and channels 			
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Institutional Strategy

WDC/WDT

- Identification of potential onion growers, preparing list on same, and submission to PIA.
- Formation of SHG of onion growers.
- Monitoring the right utility of money and timely completion of godown construction

SHG

- Operating on group basis throughout (pre, during, & post production phase)
- Initiating the process of saving and other management practices

PIA

- Ensuring the lending of R.F., quality seeds, and other related inputs to SHGs.
- Facilitating the process of SHG formation through paraworkers/WDTs, etc.
- Preparation of training budget, selection of participants, etc. for providing C.B. inputs.
- Supporting in providing the raw materials for construction of godowns

CBT

- Coordinating the conduction of training/orientation/exposure for skill and managerial upgradation of onion growers.
- Facilitation for linkages process with marketing agencies, i.e ORMAS, and at big onion trading hubs.
- Process documentation of program progress

PSU/PST

- Arranging of resource organization/resource person for providing technical assistance.
- Devising replication strategy for promotion of godown structures for new Watershed area
- Facilitation for linkaging with national marketing avenues.

Women issues/Gender

- Promoting women SHGs to take the onion cultivation activity
- Women groups given responsibility of management and use of onion godowns.
- Transaction process (lending of credit & repayment) to be carried by women groups.
- It will provide earning opportunity for women leading to economic upliftment.
- Being an earning member of family will help her to participate in decision taking process within the family.

Time Frame

Activity Description	J	F	M	A	M	J	J	A	S	O	N	D
Forming SHGs of individual onion growers	■	■										
Training on SHG mgt.			■									
Release of R.F. to SHG A/c		■										
Construction of Onion Godown Structure			■	■								
Training on maintenance and mgt. of godown				■	■							
Provision of seeds						■						
Cultivation preparedness by groups, i.e digging of well, land preparation, etc.					■	■						
Cultivation/cropping and mgt.						■	■	■				
Harvesting								■				
Storage of onion in godowns								■	■	■	■	■
Repayment of loan												■



Continuation of repayment starts and will continue till SHG has decided.