



# NABARD NON-FARM NEWS

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## DEVELOPMENT INITIATIVES

South India Producers Association (SIPA), Chennai was sanctioned grant assistance to conduct a Design Development Programme for Market Development by a reputed design expert from Philippines. This will benefit a number of select artisans in Tamil Nadu and Pondicherry.

### About SIPA....

- W** SIPA is an association of NGO/small producers from South India registered in 1986 under Tamil Nadu Societies Registration Act, 1975. It has 46 producer groups / federations as members.
- W** SIPA is a facilitator for marketing of products of artisans and also addresses the capacity building needs for production of quality material. SIPA helps its members to improve the products by arranging training by Master Trainers including from abroad and also marketing products of its members in domestic market as also abroad. 75% of the products are export oriented. The domestic sales are effected through a showroom at Chennai called "Craftlink" and participation in various exhibition etc.
- W** SIPA has more than twenty specialists on Human Resource Entrepreneurship Development who work as resource persons in conduct of training programmes.

### Its activities

- a. Marketing support & producers assistance - Through its fair trade policy, SIPA is marketing more than 300 products of its member producers in local market as well as in UK, USA, Canada, Australia, Japan etc. Producers are assisted in value addition to their products and organising exhibitions.
- b. Training Programmes - Skill upgradation, entrepreneurship development, production & marketing aspects of micro/group enterprises, capacity building and management skills are organised at Human Resources & Entrepreneurship Development Training Centre established in 1996 with the support from donor agencies. It also organises workshops / seminars for staff and policy makers of NGOs.
- c. Information Sharing and Net working - Its publication **SIPANEWS** provides an exchange of news and views on trends in market. Through its fair trade network and training programmes it links several producer groups enabling them market access for their products.
- d. Advisory & Consultancy Services - It guides its members and the NGOs outside its network on management of programmes. SIPA offers guidance on feasibility studies, training programmes and management consultancy.

## STUDIES CONDUCTED

### 1. From Micro Finance to Micro Enterprises - A Diagnostic Study of the Transformation Needs of SHGs and their Member Households by DPD-NFS

A study of Self Help Groups (SHGs) and their member households was conducted in four districts of the country, with regard to their transformation needs from Microfinance to micro enterprises/ entrepreneurship.

The study covered four districts viz. (1) W. Champaran in Bihar, (2) Kangra in Himachal Pradesh, (3) Kanyakumari in Tamil Nadu and (4) Alappuzha in Kerala. The study identified 47 variables, relating to individual, household, and environmental factors that have direct or indirect bearing on the growth of Non Farm activities / micro enterprise in these districts.

The major observations of the study are that :

- Ÿ There is significant degree of feeling of accomplishment amongst the members, compared to non-SHG households in matters of social inclusion, access to credit and income earning opportunities.
- Ÿ Smaller sized NGOs, even though exhibit more local feel and understanding of needs, have acute constraints in arranging for needed support and services to the members (bank credit, marketing, monitoring and documenting).
- Ÿ Even though the bank loans were not that large enough, the households in Kangra District did not express credit as a binding constraint on their efforts to involve in income earning/entrepreneurial activities.
- Ÿ Except Alappuzha district, the potential of SHG as an effective platform for building up capabilities and enterprise culture among the member households has not been adequately driven into the transactions in the districts studied.
- Ÿ Relatively poorer households exhibit, lower credit confidence and generally have low levels of skills & entrepreneurship. They prefer to minimize their income vulnerability by spreading the income sources rather than aspiring for higher levels of income through enterprise build up / scaling up, since it involved higher degrees of risks.
- Ÿ Non-financial factors are observed to be more significant in the transformation process of the SHG households in Kangra and West Champaran districts. However, in the other two districts that have come to the pre-entrepreneurial and entrepreneurial stages of livelihoods transformation, financial services, especially investment credit and working capital are expressed as determinant of the pace of the transformation/growth.

- Ÿ There is need for training women entrepreneurs in non-traditional sectors of enterprise, helping them to move into enterprises/activities with better economic prospects than the traditional “feminine” skill areas of handicrafts and food processing.
- Ÿ Households in Kangra and West Champaran districts undertake the two activities, farming and nonfarm activities including micro enterprises, within the household. With rare exceptions the two activities do not detract from one another or cause conflict in the household, but rather act as effective complements in a variety of regards.
- Ÿ Agriculture activities play a vital role in the well-being of families by providing nutrition levels that in many cases would be diminished if these people were to leave farming activities and shift to income oriented nonfarm activities (Kangra and West Champaran).
- Ÿ Most certainly, micro entrepreneurs under the minimalist approach (such as that under the SHG - Bank Linkage Programme), face serious business problems that prevent them from realizing their full potential. The most immediate and pressing problem is a lack of investment capital, and even in many cases, a lack of working capital, which prevents micro enterprises from taking steps to a stronger business with better returns.
- Ÿ A high level of demand exists in rural communities for micro enterprise programmes that would provide credit, marketing assistance, business management training, and business-specific technical training in an integrated manner.
- Ÿ Co-operative specialization among businesses could be encouraged, whereby entrepreneurs agree to each specialize in slightly different products, or perhaps in different stages of the production of a common finished product.
- Ÿ Efforts may have to be initiated to map household capabilities and refocus the capacity building and skill development programmes with the entire household in context while designing programmes for individual members.
- Ÿ Keeping in view the difficulties of small and medium NGOs in (a) creating baseline database and frequent updating from the field, (b) in providing occasional training/exposures to the members, on need basis, it would be worth considering putting in place some kind of promotional assistance to these agencies for ensuring these two.
- Ÿ Taking into account the higher median age of the SHG members, it would be advisable that the rural enterprise and entrepreneurial development programmes are suitably devised that specifically focus on the younger generations in the rural households.
- Ÿ In order to ensure that the transformation needs of the rural entrepreneurs and enterprises are met on a realtime and on a continuous basis, it would be desirable to think of encouraging Rural Enterprise Service Advisers/Agencies with adequate commitment and logistic capabilities to cater to the needs of the rural households. These Agencies/Advisers could be encouraged to evolve as nodal agencies for facilitating the networking and access to different financial and nonfinancial services required by the budding entrepreneurs.
- Ÿ There should be more interconnectivity between (a) skill development, (b) skill upgradation, (c) entrepreneurship training and (d) enterprise development training programmes. These phases should be more clearly identified on a participatory basis and they should follow in sequence and in certainty. There should be adequate follow-ups to ensure enterprise set up by the trainees and proper monitoring and

trouble shooting mechanisms have to be put in place including that of the marketing issues.

## 2. Study on NFS lending of Himachal Pradesh SCB (HPSCB) Ltd.

A study on NFS lendings of HPSCB was conducted jointly by DPD NFS, HO and HP RO from 25 April to 3 May 2005. Some of the field level observations as emerged from the study are given below:

- Ÿ The bank has sanctioned loans for housing, various income generating purposes like SRTO, tyre retreading, dhabas, hotel/motel, atta chakki, masala making, cattle feed unit, furniture making, petty business and trading, tent house, service station, professional and self employment enterprises, etc.
- Ÿ In addition to the above, bank has also financed new activities like computer centres, cable networking, financing road rollers, compressors, boring machines, off-set printing machines, mushroom, compost making, tile making, PVC pipe making, apple package box making, etc.
- Ÿ The employment created per unit varies from 1 to 30 persons depending on the nature of the unit.
- Ÿ Infrastructure created by Government facilitated setting up of private units by entrepreneurs
- Ÿ NFS lending has enhanced customer base of the bank among traders / businessmen, government officials, salaried class, self employed, professionals, artisans, etc.
- Ÿ It is observed that in case of sponsored units like flour mill, masala unit, steel fabrication unit, etc. the entrepreneurs have added a few more activities for enhancing their viability. Bank has met their requirements for additional loans for construction/renovation of shed, marketing outlets, transportation of produce (trucks, pick up vans, etc), additional loan for expansion and working capital, etc.
- Ÿ Family labour has contributed to a great extent for the success of the units.
- Ÿ Linkage of farm sector and non-farm sector activities was seen in a few cases. The bank has financed for agro-processing (flour mill), supply of inputs for agriculture (apple carton making), trucks and pick up vans for transportation of agricultural produce.
- Ÿ In most cases, machinery and raw materials were brought from outside the state. Raw material for apple box making unit and masala powder unit and atta chakki units are brought from outside the State adding cost and necessitating stocking for a long period.
- Ÿ New products / brands launched by entrepreneurs have ready acceptability in local markets, e.g. Chandernahan Bhog Atta in Rohru, Shimla Dist; Mahak Atta in Bilaspur Dist, Swastik Annapurna Masala powder in Bilaspur Dist. The masala making unit in Bilaspur was supplying masala in schools having mid-day meal scheme, etc.
- Ÿ Entrepreneurship skill with bank credit has shown good results in making the units successful. Training programmes on new activities inspire the entrepreneurs. For example: training on mushroom compost making was instrumental in establishing a unit with loan from Theog branch. The borrower brings local youth under the fold of mushroom cultivation and finds local market for his product.

## 3. DEWTA Scheme implemented by Sree Anantha Grameena Bank, AP

DEWTA (Development of Women Through Area Approach) is a pilot scheme with a target for empowering 1000 women

in a cluster area in three years by providing training, assistance to set up common service centre and other infrastructure resulting in setting up of units by trained women with bank credit. The project is prepared by involving Govt. Development Departments/ Local Agencies, Training Institutes in the District. On a pilot basis, NABARD has sanctioned DEWTA scheme to three RRBs, viz: Rushikulya Gramya Bank( Orissa), Aligarh Grameena Bank( UP), and Sree Anantha Grameena Bank( Andhra Pradesh).

A study of DEWTA scheme under implementation by Sree Anantha Grameen Bank was conducted from 13 -15 June 2005 by Head Office. DEWTA scheme was sanctioned to the RRB for addressing the capacity building needs of 1271 women during 3 years through its 19 branches for establishing 5 Common Service Centres, Conduct of exhibitions, Awareness creation & Social Intervention, Escort services etc.

The progress during the first year of implementation is as under:-

- i. Bank has arranged two training programmes at Guntakal and Bellary for 61 women in tailoring.
- ii. RUDSETI, Ananthpur has trained 82 women in EDP( business) and 26 women in dairy.
- iii. MYRADA has trained 43 women in EDP, 28 in dairy and 20 in leaf plate making.
- iv. VELGU, an NGO has trained 17 women in sheep rearing and 10 in pickle making.

183 women have set up their units with bank loan and 5 women with loan from SHG. RRB has disbursed an amount of Rs.15.68 lakh in the first year and availed refinance of Rs.10.54 lakh. The following facts have emerged in the field study:

- W** Beneficiaries have expressed satisfaction with regard to the quality of training received by them and are confident of setting up their own units.
- W** Keyperson of WDC of bank is taking active part in organising the training and extending help for setting up of units.
- W** The repayments are regular and no default is reported.
- W** Many beneficiaries are able to earn income of Rs.1000 to Rs.1500 per month through the activities undertaken by them.
- W** Few beneficiaries have expressed difficulties in getting raw materials for agarabatti and leafplate units and marketing in local markets.

**MEETS / WORKSHOPS / SEMINARS**

**DRIP Sensitisation Workshop at Mysore (06-08 June 2005)**



A sensitisation workshop of DDMs of DRIP districts of southern region comprising Karnataka, Andhra Pradesh, Tamil Nadu and Kerala was organised at Mysore, Karnataka from 06 - 08 June 2005. The workshop was inaugurated by Shri Amaresh Kumar, Executive Director. Shri B B Mohanty, CGM, Karnataka RO welcomed the participants. Shri A K Garg, CGM, DPD- NFS, HO steered the deliberations of the workshop.

**Objectives of the Workshop**

- ☺ To exchange ideas through experience sharing
- ☺ To understand the ground level realities through interaction with stake holders
- ☺ To identify the policy and operational adjustments, if any required in implementation of the RNFS interventions so as to enable HO to realign implementation strategies in consonance with changing requirements.

**Significant features of the Workshop**

- ☺ It was an on-location programme providing opportunities to confirm policy with reference to practice at the ground level.
- ☺ Participants were a mix of old DDMs in old DRIP districts, old DDMs in new DRIP districts and new DDMs in new DRIP districts.
- ☺ Highly participatory for cross pollination of ideas.
- ☺ Emphasis on field visits for seeing, listening and understanding the problems and expectations of artisans/farmers/partner agencies.
- ☺ Participation of representative sample of partnering NGOs across the states to share their views.
- ☺ Dr. A S Bawa, Director, Defence Food Research Laboratory (DFRL), Mysore was invited for delivering a lecture on the technologies developed on food processing by DFRL which are available to the intending entrepreneurs. The major activities undertaken by DFRL include development of convenience and 'ready-to-eat' food products, implementation of packaging systems and processing technologies for fresh and processed food, testing and evaluation of food. In the areas where milk, sugarcane, tomato and other fruits are grown in a large scale, the technology developed by DFRL can be transferred to those areas.
- ☺ A visit to the Central Food Technological Research Institute(CFTRI), Mysore was organised. The Institute has done pioneering work on minimising post-harvest losses of food commodities through effective processing and storage techniques. The Institute has developed simple improved milling system like centrifugal sheller huller, mini dal mill, wheat mill which could modernise the milling activity in rural areas and achieve better yields in terms of quality and quantity. The integrated approach of optimising harvesting conditions, post harvest treatments, appropriate packing and storing developed by the Institute helps in keeping fruits and vegetables fresh for longer periods under room temperatures. Institute offers a variety of post-harvest technologies such as handling, storage and processing of food and agro commodities. Broad categories include animal products, bakery products, beverages products, cereals, convenience food (ready mixes like idli, dosa, etc.)

**DRIP - SUCCESS STORY**

**Impact of the Product Development Workshop supported by NABARD - Thrissur District**



NABARD through the NGO named Kottapuram Integrated Development Society (KIDS), Kottapuram conducted a Product Development Workshop on Screwpine crafts from 17 to 18 August 2004. 30 women participants attended the workshop. The Master Trainer trained them to produce four prototype Screwpine articles namely Round tablemat, Tea coaster, Hand purse and Spectacle case. Before the training programme these women were not having a regular income and were financially indigent. They heard about the conduct of a Screwpine Product Development Workshop supported by NABARD in their SHG meeting and took keen interest to participate in the programme. They were trained in the programme to produce the aforesaid screwpine articles. After conclusion of the programme, in a short while they started producing the products in their leisure time and found that it was generating more income. They realized that when they spent 4 or 5 hours they could earn an income of Rs.30/- to Rs.40/-. The NGO, KIDS also helped them to find out good markets for their products and improved their efficiency. These women have now become prominent earning members of their families and this has led to the improvement of their status in society. The monthly family income of the participants 'before' and 'after' the training programme is furnished below :

(Amt. In Rs.)

Sr. No.	Income	Number of Participants	
		Before	After
1	Upto Rs.500/-	8	—
2	500 - 1000	12	9
3	1000 - 1500	8	14
4	Above Rs.1500/-	2	7
	<b>Total</b>	<b>30</b>	<b>30</b>

By engaging themselves in screwpine craft it may be observed that the earnings of all the participants now range between Rs.500/- and Rs.1500/- a month through engaging themselves in screwpine craft. The success of the workshop was quite visible especially when the artisans participated in the Craft Bazaar Mela at Coimbatore and Bangalore. There was high demand for these products in the mela and the women could sell their screwpine products at a better price and with a higher margin. The products were highly appreciated by the visitors in the mela.

**DID YOU KNOW...?**

**Fair Trade Forum - India (FTF -I)**

International Fair Trade Association, IFAT was established in 1989. Today IFAT has 200 members in 55 countries and is growing steadily. IFAT's members come from countries across Asia, Africa, Latin America, Europe, North America, Australia and the Pacific Rim.

Fair Trade Forum - India is the national level umbrella organisation of NGOs, primary producers, facilitating organisations and artisan groups who comply with the fair trade standards. FTF-I seeks result - oriented initiatives at both policy and grass root level to popularise the cause of "Fair Trade". Fair Trade aims at curtailing the exploitation of producers and craftsmen by facilitating those initiatives which help them comply with the fair trade principles and tap the fair trade market opportunities.

FTF-I is a non-profit national network comprising producers and artisan groups, cooperative societies, NGOs, facilitating organisations, federations engaged in promoting and strengthening fair trade. FTF-I is registered under Societies Registration Act, 1860 at New Delhi since 2000. FTF-I has Regional Chapters to reach out to the remotest part of the country with the message of fair trade.

**Fair Trade Standards:** Fair Trade Standards as advocated and practised by FTF-I are as follows :

- § Creating opportunities for economically disadvantaged producers
- § Transparency and Accountability
- § Capacity Building
- § Promoting Fair Trade
- § Gender Equity
- § Ideal working conditions
- § Payment of fair wages
- § Protection of environment
- § Protection of Child's rights

**The Vision:** FTF-I envisions to facilitate empowerment and sustainability of grassroot level artisans and crafts persons through fairness and transparency in trade, alleviating poverty, ignorance and unemployment in India and ushering in human development and social change by advocating and promoting Fair Trade with global accountability.

**Membership of Trade Fair Forum-India:** The membership is open to all eligible NGOs, Trusts, Cooperatives, Producer and Marketing Organisations subscribing to the objectives and rules of the Forum.

**Procedure of membership of Trade Fair Forum-India:** Fair Trade Forum-India issues specified Membership Application Form which would be sponsored / recommended by two existing members of Fair Trade Forum-India. The 'registration and annual fee' for the applicants whose annual turnover is more than Rs 10 lakh will be Rs.2,500/- and for applicants whose turnover is less than Rs.10 lakh, it is Rs. 1000/-.

In order to facilitate fair income and dignity to the artisans and the members of SHGs, particularly the marginalised groups, Fair Trade Forum offers a great opportunity.

*Suggestions on the content and coverage of this publication are WELCOME*

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