

# Promoting Livelihoods along the Agriculture Value Chain

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Vrutti Livelihoods Resource Centre

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# Understanding Value Chain....

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Value Chain comprises of the entire set of **actors, materials, activities, services, and institutions**

involved in growing and harvesting a particular commodity,  
transforming it into higher value product and marketing the final product

# Understanding Value Chain...

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- ❑ Production to final consumption
- ❑ Involves all activities/services along the Chain
- ❑ Involves all the Institutions associated with activities from Production to Consumption
- ❑ Includes Value Addition related activities like processing, grading, packaging till final consumption
- ❑ Value Addition is only one link in the Value chain; Value Chain is beyond Value Addition
- ❑ Value Chain is a holistic approach

# Why Value Chain approach is important?

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- ❑ A holistic approach
- ❑ Neither production nor market dependant
- ❑ A Livelihood Systems approach – relates to Sustainable livelihood framework
- ❑ Treats Consumers and Producers in equal footing
- ❑ Efficiency in Value Chain can benefit all stakeholders particularly Producers

# Value Chain approach is popular because...

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- ❑ If we promote production....where to market?
- ❑ If we look for new products for the consumers....where from we will get raw material?
- ❑ If we process the primary produce....we are not sure, if it is need of the Consumers
- ❑ Less need for collective efforts (usually do not succeed)
- ❑ Focus is to work with existing Value Chain Players/ Institutions than creating new Institutions, taking up entirely new interventions – which may not succeed
- ❑ Value chain approach brings in collective experience and expertise – win - win situation; no need for livelihood promoters to acquire new skills
- ❑ *Solving one issue in the value chain; may lead to another issue/problem – need to see in totality*

## Examples of Agriculture related Value Chain...

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- ❑ Potato production to Consumption of Potato Chips
- ❑ Catching marine fish to eating marine Dry Fish/ Fish Pickle
- ❑ Milk Production to Products (Cheese, Ice Cream, Curd) Consumption
- ❑ Wheat Production to Consumption of Bread

# Approach to Value Chain Interventions...

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- ❑ Identify the Value Chain
- ❑ Identify Activities/Services along the Value Chain
- ❑ Identify stakeholders along the Value Chain – Individuals/Institutions
- ❑ Undertake Participatory Action Research at all levels in the Value Chain – To Locate critical gaps related to technology and management
- ❑ Consultation with key stakeholders like technology and management related institutions
- ❑ Identify interventions along the Value Chain – Now Treat the Value Chain
- ❑ *Focus on Poor – largely small scale producers*

# Value Chain led intervention is important in Agriculture....because

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- ❑ Agriculture is the major means of livelihood of poor families
- ❑ Large number of small producers
- ❑ Increasing demand for processed foods
- ❑ Value Chains are becoming longer and longer
- ❑ Producer share of Consumer's Rupee decreasing day by day (although Consumers are paying more day by day)
- ❑ Increasing consumption of food products than produce (more of bread than wheat)
- ❑ Difficult to store agriculture produce – As perishable, one needs to see the total Value Chain



# Value Chain led intervention is important in Agriculture....because

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- ❑ Macro scenario – food surplus – hence small poor producers forced to be market oriented
- ❑ In the past, stand alone interventions at producers level – like increasing production, productivity, collective marketing by producers, processing by producers have not succeeded
- ❑ Overall Consumption/demand/marketing is becoming important than production/supply
- ❑ Increasing globalization of agriculture trade – demands end to end focus on the commodity

# Initiative of Vrutti /CMS in Traditional Dairy Value Chain....

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- Traditional Dairy Value chain – milk producers – vendors – consumers; milk production to loose milk marketing/traditional dairy products marketing
- Identified interventions through Participatory Action Research – issues in lack of storage facility, lack transport container, lack of technology for overnight storage, lack of simple quality testing facility, lack of low volume processing facility besides scope for making operations of vendors efficient – high loyalty of consumers
- On going – interventions to make the value chain efficient;
- In future – Developing technologies through Participatory Technology Development (PTD) mode





*Thank you*

