

Facilitation Cell

Post Harvest Marketing Vegetable Initiative



Concept Note by Capt. Pawanexh Kohli

F&V Supply Chains
The need to Facilitate

FEBRUARY 2011

INDIA'S Agri-Marketing

Facilitating Marketing of Agri-Produce

VISION

To create a facilitation cell to provoke new business models and promote existing marketing enterprises through active facilitation; in bringing about a two way understanding of government incentives on offer and actual ground realities which act as bottlenecks.

- **Effective:** The regional impact of policies will be strengthened.
- **Inclusive:** Participation widened to include voices that are often excluded.
- **Informed:** The quality of policy work & implementation will be deeper.
- **Active:** Engagement in policy dialogue will be promoted.

MISSION

The facilitation cell would bring together policy makers, thought leaders and entrepreneurs through participation of SME and existing agri-marketing businesses.

The facilitation cell would provide a platform for proper interpretation of government policies - most incentive schemes lose core intent in following rigid interpretation. The facilitation cell would provide dynamic adaptation to realistic models, in spirit of the true intent of the government.

The facilitation cell would provide a podium for representation of smaller business enterprises and agri-marketing entrepreneurs. Currently most industrial organisations are limited to large business representations (task forces of CII, FICCI, etc).

The facilitation cell would have a steering committee which included policy makers and thought leaders with quarterly focus on implementation and revision. They would facilitate active participation as well as facilitate new ventures.

Current industry organisations lobby for policy changes, whereas the facilitation cell would assist in attracting industry to participate and leverage existing policy incentives.

The facilitation cell would provide inputs through user base for future policy amendments and introductions. Current organisations are leanly populated by the user and more by equipment and infrastructure providers.

The facilitation cell could also serve as a via-media for private (domestic or foreign) funding for agri-business supply systems. This will ensure new entrants are aligned with policy intentions and in synch with government long term plans.

Through facilitating the existing policy, this cell would reflect on future needs. Currently there is more of lobbying for 'new' and little facilitation of the 'existing'.

FOCUS AREA

To:

- **Support organisations & processes:** **provide** information on technical and financial resources to creative organisations and processes that amplify agri-produce marketing;
- **Strengthen impact:** **promote** regional collaborative linkages between organisations & policy dialogue with national agenda to overcome bottlenecks in agri-produce marketing;
- **Deepen engagement:** **stimulate** action-research, knowledge sharing, and evidence-based policy proposals to overcome existing bottlenecks;
- **Widen engagement:** **facilitate** dialogue amongst different interest groups and facilitate regional linking and learning about strategies for effective engagement; and
- **Impact on Agri-trade:** **profile** innovative practices and processes to promote learning about how to maximise the impact, and **create** opportunities for inclusive dialogue.

BACKGROUND

Effective policies are usually the outcome of negotiation and bargaining amongst many different interests and constituencies in society.

These processes are crucial to building democratic participation and to creating accountable, responsive governance. However, in reality, not all the voices are asserted in these processes and usually other interests tend to dominate in both the design and implementation of policies.

However, once the policy initiatives are released, a large spectrum of possible participants and affected parties seek options and clarity. At this stage, the policy makers as prime movers, are seen as taking a back seat leaving the field open to other facilitating agencies (consultants or profit driven equipment suppliers).

While there is always follow-up and follow-through happening by the policy makers, it is not seen to be so and prejudice sets into probable users. Instead, a lot of them seek inclusive support through foundations and NGOs to help drive new ventures with a socio-economic benefiting framework. There is no real structured & active facilitation platform express to government involvement. It is usually perceived that once grants, incentives and subsidies are announced, the policy makers take a back seat and long term focus lost.

A government supported facilitation cell will sustain active participation, provide appropriate platform for feedback, promote new opportunity and renew trust & confidence in existing policy intent. There must be active dialogue with the end users and not only with lobby groups.

The facilitation cell would initially manifest through information dissemination and stake holder meets. Would promote voices of dissent and stress to explain, to both sides, the impact both positive and negative. It should provide existing participants in government schemes and prospective participants a platform to raise concerns, share visions and ideas and collaborate – towards a more efficient farm to consumer network.

The government must be seen to be a continuous facilitating presence in the entire business process and not purely as a source of funds.

Marketing assistance and out-reach facilitation must form part of the agenda of such a facilitation cell. So far, the focus has been mainly on infrastructure development in the food supply chain. Yet, the viability of such infrastructure spend arise only after access and sale to the consuming market. There has been little attention to developing a marketing network for agri-produce, leaving it to the machinations of existing mandi systems. The farmer must have reach to market, not just the middle man.

ACTIVITIES, STRUCTURE

Facilitation Cell:

- Comprised of senior policy makers, established innovation leaders, existing entrepreneurs. This panel could rotate, especially to give opportunity and to show case existing entrepreneurs.
- Host a website inviting direct opinion from users of government schemes.
- Evaluate concerns on interpretation or bottlenecks in incentive implementation.
- Quarterly conferences, inviting users of existing schemes (not lobbyists for new subsidies), to share experiences and to show case success cases.
- Arrange discussions before the launch of new schemes for inputs from small enterprises and end users.
- Direct concerns to various government departments where interface is creating bottleneck. Facilitate a joint approach amongst various incentive schemes.
- Present a participative public and private face of government and business enterprises in driving an efficient and sustainable agri-marketing supply chain.

FOOD SECTOR IN INDIA

FACTS:

- The government provides various incentive schemes to promote agri-marketing and cold chain infrastructure for horticulture sector.
- The schemes are usually in form of guidelines and are not rigid in nature. The intention is to welcome and promote new ideas and implementations. Yet the intent and application is frequently misinterpreted.
- The business user is left to own devices to understand applicability of schemes. Usually consulting companies or industry organisations assist.
- Most interested users are from SME sector or individual entrepreneurs, having little participation in larger industry agencies.
- Industrial organisations with arms focused on cold chain and agri-business, lobby largely on behalf of large businesses, inadvertently excluding smaller scale entrepreneurial interests.
- Most members of such task forces and industrial initiatives are populated with equipment suppliers and infrastructure companies. Thrust is on lobbying for new policy change only and facilitating the existing is missed.
- The actual grower seller or entrepreneur; produce owner, has limited supporting podium to voice or address their active concerns.

EXISTING STATUS OF AGRI-MARKETING IN INDIA:

- Lack of integrated Supply Chain & associated marketing Infrastructure exists.
- Process inefficiencies abound due lack of product knowledge.
- Horticultural business model tutors evacuating produce daily to closest mandi instead of direct link with consumers.
- Government support in term of capital subsidy and incentives exist and posted on various websites and other media.
- No central nodal facilitation approach exists, with schemes handled by disbursing offices at state and central level.
- Lack of full understanding and utility of support schemes is handled primarily through stake holder meetings and seminars through external industry promoting organisations.

India's **Compelling Strengths:**

- Horticultural biodiversity across seasons.
- Large Agrarian work force, sharing links with urban workers.
- Immense domestic demand and growing focus on exports.
- Large entrepreneurial interest in F&V retail.
- Growing aspirations for quality in food items.

Realities, **Weaknesses:**

- F&V is inherently fragile, prone to damage easily.
- Cultivation of F&V regional, linking to distance markets inevitable.
- Inefficient management of F&V sector including the supply chain.
- Fragmented and small farm holdings.
- Low level awareness of best practices in post harvest technology.
- Low awareness of best practices in supply chain management.
- Lack of and Intermittent source of power for technology use.

Paradigm Shift Essential:

- Promote awareness of best practices & global benchmarks in Post Harvest care up to the Market.
- Improve F&V handling practices- post harvest & in transportation.
- Develop a strong efficient supply system.
- Speed up adoption of cold chain system.

Strategy to Mitigate:

Facilitate understanding of governments schemes –

- Create a platform for small business entrepreneurs.
- Promote innovative ideas, active concepts.
- Support existing, albeit small, business models.
- Promote existing success stories and assist in scaling up.
- Provide options to change direction where legitimate concerns are raised.

Reduce Cost burdens, Advance Viability -

- Adopt alternate to the standard cold chain options.
- Utilise a hybrid and practical cold-chain system.
- Utilise Passive cooling options that store thermal energy.
- Utilise existing transport systems to reduce capex burden.
- Seek Synergy with existing supply networks.
- Provide information on viability gap funding or processes.

Enhance Domain Skills -

- Provide an Interface with other Support Structure.
- Interact with NCCD to provide feedback on development needs.
 - i. Create a **Knowledge** Cadre.
 - ii. Utilise and drive towards Innovative India Solutions.
 - iii. Assist in realistic standards creation.
 - iv. Move from copy cat systems to indigenous.