

MARKETING STRATEGY & ACTION PROGRAMME FOR RURAL PRODUCTS OF ODISHA

Background

A majority of rural households in Odisha, particularly tribal communities, small and marginal farmers, and landless laborers, depend heavily on agriculture and forest-based activities for their livelihoods. These communities continue to experience poverty due to several interrelated challenges:

- Depletion and degradation of natural resources, especially common property resources, and restricted access to the collection and trade of minor forest produce, have significantly disrupted their income sources.
- Seasonal and unpredictable income and employment opportunities often result in widespread malnutrition, starvation, and indebtedness among tribal producers.
- Economic vulnerability due to structural adjustments and globalisation, which have exposed producers to unregulated market forces without adequate safeguards or support systems.
- Limited market information and dependence on exploitative intermediaries throughout the value chain—production, processing, trading, and financing—further weaken the economic position of rural producers.
- Low risk-bearing capacity and lack of confidence in enterprise, especially among tribal women, limit their ability to invest in value-added opportunities and optimally utilize local agricultural and forest resources.

Problem Scenario

Rural producers in Odisha primarily rely on agriculture, livestock rearing, forest produce collection, and artisan crafts to sustain their livelihoods. Among these, agriculture is the most significant. The common crops include paddy, maize, seasonal vegetables, pulses, and oilseeds. There is notable potential for crop diversification, particularly in cereals (like wheat and millets), off-season vegetables, and other cash crops.

Despite having organically grown products by default, tribal producers are largely unaware of:

- Improved organic farming methods,
- Market demand and price differentials for organic products, and
- Consumer preferences in urban markets.

As a result, organic products are sold at the same price as conventional ones, often through agents and traders connected to the informal credit market, undermining their true market potential.

Market research indicates a significant and growing demand for organically grown products among urban consumers, especially in upper-income segments, where prices can be 40 to 60% higher compared to conventional alternatives. However, due to the lack of organized marketing and awareness, tribal producers are unable to capitalize on this opportunity.

A concerning development is the increased use of chemical fertilizers and pesticides by tribal farmers. Although only 10% currently use them, the trend is rising without adequate knowledge of safe or balanced application. The majority still depend on organic inputs like compost and forest biomass. Pesticide use remains low, but is slowly increasing.

The producers' dependence on informal credit markets is another critical issue. High-interest rates (ranging from 60% to 120% annually) make it extremely expensive for producers to borrow for agricultural inputs. These credit arrangements are typically tied to exploitative marketing practices:

- Use of non-standardized weights and measures,
- Distress selling of produce or pre-harvest "green" sales to repay loans,
- Loss of 40%–50% of actual produce due to faulty measurement practices.

These informal lenders encourage increased use of inputs like hybrid seeds and chemicals to drive credit demand, deepening the dependency of producers on them. This vicious cycle not only drains producers' income but also leads to ecological degradation, particularly the loss of the organic integrity of tribal farming systems.

A recent study of 500 tribal farmers using fertilizers and pesticides found:

- None had knowledge of balanced application,
- Overuse caused crop failure in 60% of cases,
- Soil fertility declined and pest resistance increased,
- No substantial income increase was observed despite input use, and
- Marketing dependency on traders increased, with more vulnerability to distress sales.
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Even when production volume increased through input maximization, producers faced high interest burdens and had to sell under pressure to repay debts. Without a fair trade mechanism, the local market is dominated by traders who dictate:

- Prices,
- Weighing methods,
- Transport,
- Timing of purchases.

This ultimately pushes the tribal producers into deeper distress.

Strategic Imperatives

The situation calls for a comprehensive and well-structured marketing strategy and action programme that can:

1. Strengthen tribal producers' knowledge and practices around organic farming and sustainable agriculture.
2. Introduce fair trade mechanisms and organized market channels to help producers access premium markets for organic and natural products.
3. Provide access to formal, low-cost credit options to eliminate dependency on exploitative moneylenders.
4. Develop infrastructure for grading, standardization, and certification of organic produce.
5. Facilitate capacity-building programmes, especially for women, on enterprise development and value addition.
6. Establish Producer Collectives or Farmer Producer Organizations (FPOs) to enhance bargaining power and eliminate middlemen.
7. Promote public awareness and demand generation among urban consumers for tribal and organic products through branding and communication campaigns.

Strategic Objectives

To effectively promote and sustain the marketing of rural and tribal products from Odisha, the following strategic objectives are proposed:

1. Enhance Producer Capacity
 - Build awareness and skills in organic farming, sustainable agricultural practices, and quality control.
 - Strengthen financial literacy and enterprise development, particularly among women and youth.
2. Establish Fair and Transparent Market Linkages
 - Facilitate direct access to premium markets for organic and forest-based products.
 - Create local procurement systems with fair price mechanisms and digital weighing tools.
3. Promote Aggregation and Collective Marketing
 - Organize tribal producers into Farmer Producer Organizations (FPOs) or cooperatives to improve market bargaining power.
 - Enable group-based procurement of inputs and sale of produce.
4. Enable Product Differentiation and Certification
 - Assist producers in obtaining organic and fair-trade certifications.
 - Support branding, packaging, and promotion of tribal products.
5. Provide Access to Affordable and Formal Finance
 - Facilitate linkages with microfinance institutions, self-help groups (SHGs), and rural banks.
 - Advocate for special financial products tailored to tribal producers.

6. Strengthen Institutional Convergence

- Coordinate efforts among government departments (Agriculture, Forest, Tribal Welfare, MSME), NGOs, and private sector.
- Leverage government schemes for marketing infrastructure, training, and financial inclusion.

Problem to be Addressed

- The key issues that need to be addressed to improve the livelihood and food security of rural and tribal producers in Odisha include:
- Lack of Producer-Friendly Procurement and Storage Systems: There is an urgent need to build a support structure that ensures timely procurement of agricultural and forest produce, along with adequate storage facilities to reduce post-harvest losses, especially in tribal regions.
- Preserving the Organic Character of Tribal Agriculture: The traditional agricultural systems practiced by tribal communities are inherently organic. However, without proper guidance and support, there is a risk of erosion of these practices.
- Low Productivity and Lack of Technical Knowledge: There is a need to enhance yields through improved organic farming practices. This can be achieved through structured training, agricultural extension services, and on-field demonstration of organic techniques.
- Dependence on Informal Credit Systems: Many tribal producers rely on informal moneylenders due to lack of access to formal credit. Enabling producer groups to engage in micro-credit activities can introduce healthy competition and reduce dependency on exploitative lenders.
- Lack of Market Access and Price Assurance: Tribal producers often do not receive fair prices for their produce due to lack of access to regulated markets. A producer-friendly market intervention system is required to ensure fair pricing, procurement, improved shelf-life of products, and prevention of distress sales.
- Limited Value Addition and Profit Retention: Value addition through processing, packaging, and distribution is minimal. This leads to a lower share of consumer price being received by producers. Efficient value chains need to be developed with profit-sharing mechanisms favoring producers.
- Inadequate Capacity and Institutional Support: Producers and their organizations lack the necessary capacities and institutional infrastructure to scale their efforts and sustain production and marketing activities. Comprehensive capacity building is essential through training, infrastructure support, and continuous extension services.

Strategic Interventions

- In response to the identified problems, several NGOs working on market-based solutions propose a holistic and alternative development paradigm. This approach integrates procurement and storage systems, market intervention, and micro-credit support to secure livelihoods and ensure food security among rural and tribal producers. The key strategic interventions include:

1. Procurement and Storage Interventions:

- All varieties of agricultural and forest produce will be procured directly from producers. Appropriate storage systems—tailored for both perishable and non-perishable products—will be introduced. This will enhance the shelf-life of produce, arrest distress sales, and enable better price realization.

2. Market Intervention Strategies

- A professional and structured marketing approach will be introduced to support tribal producers, focusing on:
- Professional Marketing Support: NGOs will play a catalytic role in providing producers with access to modern marketing tools, market intelligence, and promotional platforms to improve their reach and competitiveness.
- Information and Communication Support: Equipping producers with timely and relevant market information will empower them to make informed decisions regarding pricing, logistics, and buyer expectations.
- Micro-Credit Support: Providing access to micro-finance will reduce reliance on informal credit sources. It will also help producers invest in inputs, transportation, packaging, and other market-related needs.
- Infrastructure Support: Development of rural marketing infrastructure including aggregation centers, collection hubs, weighing and grading facilities, and logistics support will be prioritized.

3. Strengthening Motivation through Market Opportunities

- Studies have consistently shown that when rural producers are assured of sustainable market opportunities and fair pricing, their motivation to produce and adopt improved practices increases significantly. However, while urban and global marketers benefit from professional marketing ecosystems and access to information, tribal producers often remain excluded.
- NGOs can bridge this gap by establishing safety nets and systems that enable producers to access better markets and make informed decisions. This is critical in the era of globalization, where market volatility and competition are high.

4. Access to Niche and Global Markets

- Given that most of the agricultural and forest products grown by tribal communities are organic and eco-friendly, there is an emerging opportunity to target niche domestic and international markets. With appropriate branding, certification, and promotion, these products can gain premium value in eco-conscious markets, thereby significantly enhancing producer incomes and resilience.

Action Plan: Marketing Strategy Implementation

Key Activities	Timeline	Lead Agency	Support Partners	Remarks
Conduct baseline survey to map existing products, practices, and producers	Month 1–2	Nodal NGO / District Collectorate	Block & Panchayat offices, Agri Dept.	Use data for targeting interventions
Organize capacity-building trainings on organic farming and post-harvest management	Month 2–6	Krishi Vigyan Kendra (KVK), NGOs	Agriculture Dept., FPOs, SHGs	Gender-sensitive training modules
Form and strengthen FPOs/Producer Groups	Month 2–8	NABARD / NGOs	Panchayats, Agri Dept., NRLM	Cluster-based group formation
Facilitate certification process for organic/fair trade products	Month 4–10	NGOs / Agri Universities	Certification bodies, APEDA	Includes training and documentation
Develop brand identity and eco-friendly packaging	Month 6–10	Design Agencies / Marketing Experts	Handicrafts Board, NGOs	Use “Tribal Odisha Organic” branding
Establish rural collection and aggregation centers	Month 6–12	DRDA / NGOs	Panchayats, Agri Marketing Board	Co-located with market yards
Create online and offline marketing channels	Month 8–14	Tribal Development Dept. / Private e-com platforms	FPOs, SHGs, Tech Startups	Explore tie-ups with Amazon Karigar, Flipkart Samarth
Link producers to institutional buyers (hotels, retail chains, government canteens)	Month 10–14	NGOs / MSME Dept.	ORMAS, Odisha Tourism, OMFED	Promote B2B tie-ups

Organize rural product expos and awareness campaigns in cities	Month 10–15	MSME Dept. / NGOs	Urban local bodies, CSOs	Highlight stories of tribal entrepreneurs
Facilitate access to low-interest credit through SHG-bank linkages	Ongoing	NRLM Banks /	NGOs, NABARD	Include crop insurance promotion

Monitoring & Evaluation (M&E) Framework

Objectives	Key Indicators	Means of Verification	Frequency	Responsible Agency
Enhance producer capacity	- % of producers trained - % adopting organic practices	Training records, field visits, KAP surveys	Quarterly	NGOs, KVK, Agri Dept.
Promote collective marketing	- No. of FPOs formed - Volume of aggregated produce	Registration documents, FPO sales records	Bi-annually	NABARD, NGOs
Facilitate certification & branding	- No. of certified producers	Certification records, sales data	Bi-annually	NGOs, APEDA, Agri Dept.

Tentative Budget Estimate

Budget Head	Activities Covered	Estimated Cost (INR Lakhs)
1. Baseline Survey & Planning	Mapping producers, market study	15
2. Capacity Building	Training on organic farming, entrepreneurship	25
3. FPO Formation & Strengthening	Mobilization, registration, training, legal support	30
4. Certification & Branding	Organic certification, brand creation, packaging	40

5. Market Infrastructure	Setting up aggregation centers, weighing tools	50
6. Market Linkages	B2B tie-ups, digital platforms, logistics	35
7. Rural Expos & Awareness	Product exhibitions, urban outreach	20
8. Credit Facilitation & Insurance	Financial literacy, linkage with SHGs/banks	10
9. Monitoring & Evaluation	Third-party assessment, MIS development	15
Total Estimated Budget		₹ 240.00 Lakhs (INR 2.4 Crores)

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Strategy Paper: Market Intervention for Sustainable Livelihoods of Tribal and Rural Producers in Odisha

This paper outlines a comprehensive marketing programme derived from the experiences of various NGOs in Odisha implementing market intervention approaches to strengthen sustainable livelihoods for rural and tribal producers. The strategy addresses key components necessary to build resilient rural enterprises.

Key Components of the Marketing Programme

1. Marketing Intervention Approach

2. Crop Planning and Production Management
3. Procurement Planning and Storage
4. Sanitary and Phyto-sanitary Measures
5. Processing
6. Packaging
7. Pricing (Product Cost, Break-even, Profit, Growth)
8. Market Promotion
9. Distribution Management and Sales Strategy
10. Marketing Finance and Decision-Making
11. Personnel and Manpower Utilization, Training, and Capacity Building

Relevant Activities to be Initiated

- Production, procurement, and promotion of rural products
- Promotion of no-cost and low-cost women-friendly agricultural skills, technologies, and extension services
- Income generation and profit for primary stakeholders; improving operational efficiency and enterprise growth
- Ensuring cash sales to minimize payment delays to producers
- Hygienic procurement, primary and final processing, packaging, storage, and distribution
- Prioritizing organic certification to brand products as certified organic
- Focusing on securing export orders
- Networking and tie-ups with fair trade networks

Guiding Principles and Approaches

- Zero Credit Sales to buyers or intermediaries to ensure timely payments
- Zero Overhead Transactions by shifting responsibility and benefits to producers and consumers

- Strict Quality Assurance across all stages—crop production, procurement, processing, packaging, and distribution
- Controlled Crop Cultivation to preserve organic characteristics under supervision

I. Marketing Intervention Approach

In the context of tribal livelihood and food security, the Marketing Intervention Approach targets poverty alleviation, gender equity, environmental sustainability, and the development of robust institutional frameworks. This dual approach integrates:

- Fair Trade Principles to ensure ethical and equitable trade
- Product Development Focus to sustain and promote organic and eco-friendly production systems

Fair Trade: An Alternative Trading Model

Fair Trade is a sustainable and ethical trading approach that empowers excluded and disadvantaged producers through better trading conditions, capacity building, and awareness generation.

Goals of Fair Trade:

1. Improve the livelihoods and well-being of producers through fair pricing, enhanced market access, and stable trading relationships
2. Create development opportunities for women and indigenous communities while protecting children from exploitation
3. Raise consumer awareness on the impacts of market forces and encourage ethical consumption
4. Promote partnership-based trade rooted in dialogue, transparency, and mutual respect
5. Advocate for systemic reforms in global trade practices
6. Uphold human rights through social justice, environmental integrity, and economic security

Key Principles:

- Agreements that ensure fair prices and profits for producers
- Working with cooperatives, NGOs, or social businesses committed to producer welfare
- Building long-term, stable trading relationships

- Facilitating advance payments or micro-credit to prevent exploitation
- Supporting producers in product development and business enhancement

II. Promotion of Organic Products

The Product Approach promotes sustainable agriculture through indigenous knowledge systems and gender-sensitive eco-friendly technologies.

Core Tenets of Organic Farming:

- **Holistic System:** Organic farming is more than avoiding synthetic inputs; it's a holistic system aimed at optimizing the health of soil, plants, animals, and people.
- **Natural Inputs and Practices:** Emphasis on crop rotation, cover cropping, composting, and biological pest control
- **No Synthetic Chemicals:** Prohibition of synthetic fertilizers, pesticides, growth regulators, hormones, antibiotics, GMOs, and irradiation
- **Animal Husbandry:** Livestock must be raised organically with 100% organic feed for at least 12 months prior to slaughter (species-specific timelines may vary)
- **Soil Health and Biodiversity:** Promotes humus-rich soil and biodiversity as a natural pest and disease management tool
- **Certification Compliance:** Land must be under organic practices for a minimum of three years before products are certified organic. Certification agencies issue detailed standards, and their consultation is essential for implementation.

Conclusion

The marketing strategy proposed by NGOs working in Odisha aims to bridge the gap between tribal producers and mainstream markets by introducing a systemic, ethical, and sustainable approach. Through marketing interventions, fair trade practices, and organic farming promotion, the initiative seeks to transform rural livelihoods by enabling producers to access better markets, earn fair profits, and sustainably manage their natural resources. With adequate support systems, capacity building, and infrastructure, these initiatives can become scalable models for rural development and food security.

II. Crop Planning and Production Management

Crop planning and production management aim to promote sustainable, organic farming practices that ensure food security and enhance the livelihood of tribal and rural producers. The approach includes a combination of strategies such as extension support, sharecropping, contract farming, and networking with other NGOs across agro-climatic regions to optimize crop selection and productivity.

Strategic Interventions

Crop production will be promoted through the following approaches:

- Extension Support: Providing farm women and their families with access to knowledge, inputs, and credit support on organic farming practices.
- Sharecropping: Collaborating with landowners where farmers cultivate crops and share the yield as per agreed terms.
- Land Lease and Contract Farming: Leasing land or engaging in contract farming to produce high-value organic crops.
- NGO Networking: Establishing networks with NGOs across various agro-climatic zones in India to cultivate and procure specific organic crops (e.g., cumin seed and spices from Kerala).
- Self-Demonstration Models: Initiating pilot projects or demonstration plots to assess the economic viability of different production methods and crop combinations.

Note: Field-level studies suggest that contract farming yields better economic returns, although outcomes may vary depending on region and crop type.

Target Crops for Organic Cultivation

Cereals & Millets

- Rice (Basmati – Indigenous variety)
- Wheat
- Maize
- Ragi
- Minor Millets

Pulses

- Black gram (dehusked)
- Arhar (Kandul)
- Rajma
- Baila Bean
- Horse Gram
- Green Gram

Spices

- Turmeric
- Ginger
- Chilli
- Pepper
- Coriander
- Cumin Seed

Oilseeds and Others

- Mustard
- Tapioca
- Zinger (Ginger)

Organic Vegetable Cultivation

Focus will be placed on cultivating organic vegetables that are suitable for the region and market-demand driven:

- Broccoli
- Methi Green
- Brinjal
- Cauliflower
- Tomato
- Gourds
- Cucumber
- Parwal (Pointed Gourd)
- Beans
- Papaya
- Drumstick
- Off-season vegetables

Production Management and Institutional Coordination

To ensure systematic implementation of organic farming practices, coordinated activities and institutional mechanisms will be established. These include:

- Regular training and field visits by extension workers for knowledge dissemination on organic farming.
- Formation of producer groups or cooperatives for collective decision-making and resource sharing.
- Linkage with certification bodies for organic certification and adherence to standards.
- Monitoring and documentation of input usage, crop growth, and yield for traceability and quality assurance.

This comprehensive and participatory approach to crop planning and production management will enhance productivity, ensure sustainability, and lead to improved incomes for rural producers, particularly women and marginalized communities.

III. Procurement Planning and Storage

Procurement and storage form a critical component of the value chain, ensuring that raw materials and products are acquired cost-effectively while maintaining the highest quality standards. The objective is to create a streamlined and accountable procurement system backed by proper storage infrastructure and quality assurance measures.

Procurement Strategy

- Procurement Items: Raw agricultural produce, processed products, packaging materials, and farming equipment will be procured by balancing quality and cost-effectiveness.
- Sources of Procurement:

- Target farmers engaged in organic farming.
- Traders who meet quality and pricing benchmarks.
- Sharecropping arrangements.
- Leased farmland for direct production.
- NGO networks across diverse agro-climatic zones (e.g., sourcing spices like cumin from Kerala).
- Procurement Timing:
 - Bulk procurement will be done at the time of harvest to ensure best pricing and freshness.
 - All procurement will be opportunistic, based on:
 - Price advantage
 - Quality (moisture content, presence of foreign material, cleanliness)
 - Volume availability
 - Transport and storage logistics
- Procurement Terms:
 - Credit-based procurement may be adopted, allowing payment deferral of up to 90 days.
 - Up to 50% of the payment may be withheld temporarily for quality assurance, as practiced by some NGOs.

Procurement Protocols (When sourcing from traders)

Key parameters to be considered include:

1. Tender Process: Competitive and transparent selection.
2. Price Advantage: Lowest cost for the required quality.
3. Sample Quality: Pre-procurement quality check.
4. Transport Benefit: Lower logistics costs or access to trader's transport.
5. Weight Advantage: No loss due to inaccurate weighing or moisture.
6. Storage Facility: Use of trader's storage to save costs.
7. Zero Overhead Objective: Minimize additional costs in procurement.

Quality Control and Institutional Oversight

- Syndicate Supervision: All procurement decisions on quantity, quality, and price will be overseen by a Syndicate of at least three members at three critical stages:
 1. Pre-Procurement Season: Planning and vendor selection.
 2. Mid-Procurement: Ongoing quality and pricing checks.
 3. Post-Procurement: Final review, documentation, and assessment.
- Terms and conditions for procurement from traders must be clearly defined and agreed upon in advance.

Storage Infrastructure and Management

Products will be stored using suitable, centralized systems based on type and preservation needs. Storage practices will incorporate indigenous methods and modern technology to ensure quality maintenance.

Types of Storage Facilities:

- Cold Storage: For perishables like fruits, vegetables, and processed items.
- Grain Storage: For rice, wheat, millets, and pulses.

- Seed Storage: With proper temperature and humidity control.
- Onion Storage: Using traditional ventilated systems.
- Vegetable Packing Units: For sorting, grading, and packing fresh produce.
- Sun Drying: To reduce moisture levels in grains and spices.
- Dehydration Units: For drying fruits and vegetables for long shelf life.

Post-Procurement Handling and Hygiene

- Cleaning, Grading, and Moisture Control must be done before storage.
- All processes should conform to sanitary and phyto-sanitary standards as per WTO norms, ensuring compliance for domestic and export markets.
- Hygienic conditions must be strictly maintained throughout the supply chain—in factories, storage areas, processing units, and packaging zones.

This integrated approach to procurement and storage will ensure that quality raw materials are secured at optimal prices, with minimal losses and maximum efficiency, enabling sustainable and profitable agribusiness operations.

IV. Sanitary and Phyto-sanitary (SPS) Measures

Food production and consumption play a critical role in any society, having economic, social, and environmental implications. While ensuring health protection remains a top priority, these additional factors must be considered when dealing with food products.

To safeguard public health, high food safety standards must be established and maintained. These standards must also account for environmental conditions, particularly the health of ecosystems, as they directly influence various stages of the food chain and contribute to ensuring food safety.

Consumers should have access to a wide range of safe and high-quality food products from reliable producers. With increasingly complex food supply chains, each link must be equally robust to adequately protect consumer health.

Significant advancements have been made in food production and processing methods, as well as in the regulatory frameworks that ensure food safety standards are upheld. These advancements demand a comprehensive approach involving:

- Risk assessment and monitoring of raw materials, farming practices, and processing activities.
- Effective regulatory frameworks to manage these risks.
- Operational control systems to monitor and enforce standards.
- Feedback mechanisms for identifying and mitigating both existing and emerging risks.

Sanitary and Phyto-sanitary (SPS) Restrictions

SPS measures—laws, regulations, and procedures—are instituted to protect human, animal, and plant health. While such measures can impact trade, countries are permitted under Article XX(b) of GATT to take necessary actions for health protection, provided they are non-discriminatory and not disguised trade barriers.

The SPS Agreement under the WTO ensures transparency in food safety and health-related trade measures. It guides countries on adopting regulations while avoiding unfair trade restrictions.

SPS Principles and Key Elements

1. Countries may adopt necessary SPS measures to protect human, animal, and plant health.
2. They can determine appropriate levels of protection.
3. All measures must be science-based.
4. There should be no discrimination between domestic and foreign goods.
5. Measures must be proportionate to the level of protection desired.
6. SPS measures must not serve as disguised restrictions on trade.

Countries are encouraged to adopt international standards, though they may set stricter standards when scientifically justified.

Consumer Involvement and Risk Communication

Consumer protection is central to all food safety decisions. Hence:

- Public consultations should be held on food safety issues.
- Platforms for dialogue between experts and consumers must be established.
- Global consumer dialogue should be promoted.
- Special risk communication strategies should be targeted at vulnerable populations such as pregnant women, infants, the elderly, and immuno-compromised individuals.

Hygienic Conditions in Food Processing Facilities

To maintain sanitary and food safety standards, the following infrastructure and practices must be in place:

- Water Supply: Adequate hot and cold potable water under pressure.
- Wastewater Disposal: Tanks must be at least 15% larger than the water supply tank, with safe disposal systems.
- Equipment: All processing equipment must be easy to clean and maintain. A minimum of a one-compartment sink for sanitation is required.
- Structural Design: Smooth, durable, and cleanable surfaces for walls, floors, and ceilings with proper cove moulding.

- Pest Control: Protected storage and pest-proofing measures to prevent rodent and insect entry.
- Lighting: Uniform, shielded lighting of at least 50 foot-candles.
- Waste Management: Covered garbage containers must be placed both inside and outside the facility.
- Employee Hygiene: Staff must wear clean clothing and maintain hygiene, including handwashing after unsanitary activities.

Nutrition and Consumer Protection

As consumer interest in nutrition grows, food products must:

- Ensure public health and safety.
- Provide accurate information for informed choices.
- Avoid misleading claims.
- Align with international food standards.
- Support a competitive and efficient food industry.
- Be grounded in sound science and risk analysis.

Processing

The processing unit will handle a wide range of products, including:

- Cereals: Rice (including Basmati), Wheat Atta, Maize Powder, Baby Corn, Ragi Powder, Minor Millets
- Legumes: Dehusked Black Gram, Pulses (Arhar, Kandul, Razma, Baila, Beans, Horse Gram, Green Gram)
- Spices: Turmeric, Ginger, Chilli, Pepper, Coriander, Cumin Seed
- Blends: Curry powders (vegetarian and non-vegetarian)
- Preserves: Pickles, Jams
- Vegetables: Methi Greens, Broccoli, Mustard, Tapioca, Amtur
- Dehydrated Products: Jackfruit flakes, Ginger (dehydrated and powdered), Dried Methi leaves
- Others: Tamarind paste/powder, Dry hygienic fish, Seasonal vegetable dehydration, Cashew kernel

All processing shall follow strict hygiene and safety protocols, conforming to national and international standards.

Packaging

- Attractive, Handy, and Eco-friendly Packaging: Emphasis on freshness and consumer appeal.
- Pack Sizes: Available in various consumer-friendly formats—weekly or monthly packs.

- Bulk Packaging: Cardboard packs of 5, 10, 15, and 20 kg with detailed specifications for storage, cooking, and handling.

Storage

Storage will be centralized and designed based on product-specific needs using a mix of traditional and modern technologies:

- Cold Storage: For perishable fruits, vegetables, and processed products.
- Grain Storage: Dry, aerated silos or godowns with pest control using indigenous materials.
- Onion Storage: Well-ventilated structures with protection from humidity and pests.
- Seed Storage: Moisture-proof containers with pest barriers.
- Vegetable Packaging and Storage: Cool, hygienic environments to retain freshness.
- Moisture Control: Use of sun drying and regulated conditions.
- Dehydration Units: For seasonal fruits and vegetables using solar or mechanical methods.

Each product will be cleaned, graded, and moisture-checked before storage. Sanitation and safety norms as per WTO standards will be adopted across all operations.

V. Pricing

Types of Pricing Approaches

- Opportunistic Pricing: Prices set based on prevailing market conditions, demand-supply dynamics, or scarcity.
- Instant Pricing: Real-time pricing that reflects immediate procurement and operational costs.
- Premium Pricing: Higher pricing strategy used for high-quality, value-added, or niche products with superior packaging or branding.

Parameters Used for Pricing Agri and Rural Products

Pricing for agri-products involves comprehensive consideration of multiple cost factors and margins, including:

1. Farm Price – Price paid at the farm gate.
2. Procurement Price – Price at which the product is procured for processing or resale.
3. Procurement Overheads – Includes transport costs, wages, handling charges, etc.
4. Storage Costs – Expenses related to storing raw and processed products.
5. Interest on Capital Invested – Financial cost of funds tied up during procurement and processing.
6. Weight Loss Before Processing – Loss due to moisture loss or spoilage post-procurement.
7. Primary Cleaning and Grading Cost – Expenses incurred in sorting and cleaning products.
8. Weight Loss During Cleaning/Grading – Reduction in weight during the cleaning process.

9. Moisture Level Adjustment – Loss due to drying to bring products to acceptable moisture levels.
10. Loading/Unloading Charges – Manual or mechanical labor involved in shifting goods.
11. Processing and Packaging Costs – Factory-level costs including processing, labor, utilities, and packaging materials.
12. Level of Processing and Value Addition – Pricing varies based on the stage (primary, semi-processed, fully processed).
13. Storage Cost of Processed Products – Additional warehousing costs.
14. Interest on Storage – Financial cost of storing processed goods over time.
15. Promotional Cost – Marketing and promotional expenses for brand visibility and sales.
16. Distribution Cost – Logistics cost from storage point to market or retailer.
17. Interest on Credit Sales – Risk and cost involved in deferred payments from buyers.
18. Taxes and Levies – Applicable sales tax, GST, or other duties.
19. Commissions – Margins paid to distributors, wholesalers, or retailers.
20. Discounts – Trade or volume discounts given to buyers.
21. Incentives – Sales or performance-based incentives for distributors/retailers.
22. Profit Margin – Desired profit over and above all costs.
23. Growth and Expansion Needs – Strategic pricing for market capture or scale-up.

Pricing Agri-Products – Rules of Thumb

When determining the retail price of agri-products, the level of processing and value addition is a key determinant. General pricing benchmarks (rules of thumb) are as follows:

- Whole Form Products (Post-Cleaning & Grading):
E.g., green gram, black gram, cumin seed, mustard.
☐ Retail Price: 2 to 3.5 times the procurement price.
- Semi-Processed Products:
E.g., dehusked pulses, lightly processed cereals.
☐ Retail Price: 3 to 4 times the procurement price.
- Dehydrated/Sun-Dried Before Semi-Processing:
E.g., turmeric fingers, dried ginger.
☐ Retail Price: 7 to 10 times the procurement price.
- Fully Processed Powdered Form:
E.g., turmeric powder, ginger powder.
☐ Retail Price: 8 to 10 times the semi-processed product price.

These benchmarks ensure that the full range of operational costs, risks, and desired margins are adequately covered, making the product competitive while ensuring financial sustainability.

VI. Market Promotion Strategy

A. Focus Areas

- Internal Market: Local and domestic markets within Odisha and India
- Export Market: International outreach with credible branding

B. Promotional Methods

1. Hoardings at strategic locations
2. Direct Consumer Education campaigns
3. Stickers displayed at VIP routes and premium locations
4. Leaflets with product, health, and culinary information
5. Training and Orientation for distribution partners, consumer agents, and members of the organic movement
6. Mobile Kiosks
7. Stall Selling in local markets and exhibitions
8. Free TV Clippings and local broadcast promotions
9. Culinary Specifications printed in leaflets and on/in packaging
10. Thematic Campaigns, messaging, and hygiene assurance

C. Target Consumers & Education Strategy

Target Group: Upper-income health-conscious consumers

Key Characteristics:

- Income: Above ₹30,000 per month
- Gender: Predominantly female
- Age: 40 years and above
- Lifestyle:
 - Visit slimming centers and beauty parlors
 - Purchase health and beauty products
 - Own cars and modern appliances
 - Spend significantly on medical bills
 - Visit high-end clinics
 - Suffer from lifestyle-related food ailments
 - Attend wellness programs like Art of Living or Quality of Life classes

D. Messaging Themes

Core Messages:

- *"Nature is a tough taskmaster – but we've met the challenge."*
- *"Khao Organic, Jiyo Organic"* (Eat Organic, Live Organic)
- Organic food is for:
 - Healthy living
 - Staying fit and trim
 - Avoiding pesticide-related risks
 - Increasing longevity
 - Quality-conscious individuals
 - People who can afford to live healthily
- *"Organic food = No chemicals, no hormones – only health."*
- *"Save yourself from strokes – eat organic."*
- *"Prescribe a healthy diet to your friends."*

E. Promotional Campaign Content

Leaflet Campaign Title: *Why Organic Food?*

- Based on the *Soil Association Report* and recent US studies, organic food has higher nutritional value, especially Vitamin C, iron, magnesium, and phosphorus.

- 21 essential minerals show higher concentrations in organic produce.
- Nutrient deficiencies are rising in the general population due to declining mineral content in conventional food.
- Organic products consistently outperform non-organic counterparts in nutrient content.

F. Hygiene Assurance

- All processing (extraction, refining, sterilization) is fully automated and conducted in vacuum-sealed systems to ensure maximum hygiene.
- Computerized systems maintain flavor, taste, and color as per international standards.
- Products are packed in aseptic packaging, offering long shelf-life without preservatives or refrigeration.
- Secondary packaging protects against damage, ensuring quality on delivery.

G. Culinary Specifications

- Recipes, preparation tips, and nutritional info will be provided through:
 - Leaflets
 - Labels on packets
 - Inserts inside packaging

H. Economics of Promotional Methods

Promotional Method	Spread Effect	Budget Allocation (per ₹)
Hoardings	20%	₹0.20
Direct Consumer Education	20%	₹0.25
Stickers in VIP Areas	20%	₹0.20
Leaflets	10%	₹0.10
Training & Orientation	20-30%	₹0.10
Mobile Kiosks	20-30%	₹0.05
Stall Selling	5-10%	₹0.05
Free TV Clippings	Up to 10%	₹0.05

I. Export Market Linkage

Website as a Promotional Tool: A dedicated website will be developed to showcase:

- Agency credentials
- Product range and specifications
- Contact details of organic product importers
- Culinary and nutritional information
- Consumer education material

Agency Credibility Statement:

"We are a team of qualified professionals engaged in the export of organic products from India. We market agricultural produce sourced from tribal communities that have followed traditional organic practices for generations. Our products are certified by SKAL, Holland, under license no. 000000."

Product Range:

- Primary Products: Turmeric Powder, Mustard Seeds, Dehydrated Ginger, Sesame Seeds, Tamarind, Niger Seeds, Black Pepper, Tamarind Concentrate.
- Other Certified Products: Hand-pounded Rice, Black Gram, Red Gram, Jowar, Arhar, Groundnut, Sorghum, Castor.
- Forest Products: Amla (*Emblica officinalis*), Harida (*Terminalia chebula*), Bahada (*Terminalia bellirica*)

Our Philosophy:

"Timely, consistent supply of high-quality organic products at competitive prices. We welcome inquiries and interest in our product range."

VII. Distribution Management and Sales Strategy

Key Strategy Highlights

- The approach emphasizes innovation, minimal overheads, ready cash transactions, profit-sharing, and zero credit risk.
- A unique consumer-driven organic movement will be initiated, where consumers become distributors and promoters, thus fostering community ownership and trust.

Distribution Strategy

Innovative Distribution Approach

- No Overheads: Lean distribution model with minimal operational cost.
- Cash-Only Transactions: Ensures immediate revenue realization.
- Profit Sharing: A portion of the profit will be shared with both consumers and distributors to incentivize loyalty and participation.
- Direct-to-Consumer Model: Sales agents will handle direct delivery based on consumer orders, reducing layers in the supply chain.

Initiating an Organic Movement

- Promote a consumer chain model, where:
 - Consumers not only purchase but also become active promoters.
 - Consumers who turn into promoters will benefit from commission-based incentives.
 - This network will organically expand, spreading awareness and encouraging healthy consumption habits.

Target Distributors and Promoters

- Consumers themselves
- Elite and Educated Housewives
- College Professors and High School Teachers
- Individuals engaged in financial product sales
- Direct Marketing Professionals from networks such as:
 - AMWAY
 - DIOTECH
 - Oriflame, Herbalife, and similar networks

These individuals have proven communication and sales skills and are ideal for organic product advocacy due to their existing networks and credibility.

Mobile Organic Kiosks

Operational Model

- Monthly Feasibility Analysis to assess profitability and sustainability.
- Performance-Based Staff Payments to boost motivation and sales performance.
- Strategic Placement based on consumer behavior and high-footfall locations.
- Daily Profit-Loss Analysis: Reports and reasons shared with kiosk operators for transparency and learning.

Promotional Strategy

- Integrated with consumer education and branding campaigns.
- Focused on creating visibility and generating curiosity about organic products.

Stall Selling

Feasibility and Investment

- Initial Investment Planning: Based on local market analysis.
- Consumer Demand Assessment: Understanding regional preferences and purchasing power.
- Alternative Sales Channels: Including seasonal fairs, weekly markets, and special events.

Economics

- Profit-Loss Analysis: To monitor and manage margins.
- Overhead and Transport Costs: Regular tracking to ensure profitability.
- Product Optimization: Right product mix and quantity tailored to consumer needs.

Recruitment and Incentive System for Sales Agents

Recruitment Process

- Agents will be recruited through:
 - Personal Contact
 - Motivational Sessions
 - Consumer Education Programs
- Initial Orientation and Training: Recruits will be trained in product knowledge, sales techniques, and customer engagement.

Sales Network Expansion

- First-generation sales agents will be empowered to build and train their own sub-agents.
- This will ensure exponential network growth through a self-sustaining chain.

Commission Structure

- Up to 30% commission will be distributed among:
 - Consumers
 - Consumer sales agents
 - Direct marketing agents
- Compared to the conventional model (which incurs 40–50% in distribution costs), this method enhances efficiency and promotes greater earnings at the grassroots level.
- This model:
 - Reduces credit-based sales
 - Increases cash sales
 - Builds a more resilient and motivated sales ecosystem

Sales Network Monitoring

- A dedicated web-based MIS (Management Information System) will be developed to:
 - Track sales
 - Manage commission payouts
 - Monitor agent performance
 - Ensure transparency across the distribution chain

VIII. Marketing Finance and Decision Making

Collective Decision-Making by Syndicate

- All key decisions related to marketing finance will be taken by a Syndicate, comprising stakeholders from crop planning, procurement, processing, sales, and finance.
- This collective approach ensures transparency, inclusivity, and alignment with field realities and market trends.

Annual Planning Cycle

- Each year, during the month of January, the Syndicate will conduct a comprehensive review and planning session to:
 - Assess crop planning and availability
 - Evaluate procurement capacities and factory viability
 - Review market trends, consumer demand, and previous year's performance
 - Set pricing parameters for various product categories
- This annual assessment will inform the financial planning required to support marketing and sales operations effectively.

Determining Marketing Finance

- Based on the projected sales turnover, the Syndicate will determine the marketing finance requirement.
- The quantum of finance needed will depend on:
 - Nature of the product:
 - Raw and minimally processed items (e.g., cleaned and graded produce)
 - Semi-processed goods (e.g., turmeric fingers, dried ginger, dehusked pulses)
 - Level of value addition and corresponding market price
 - Cost of packaging, storage, logistics, and promotional efforts

Key Considerations in Marketing Finance Planning

- Crop-Linked Financial Planning: Ensures that the availability and timing of the produce align with procurement and market cycles.
- Processing and Packaging Costs: Vary by product type and must be factored into the pricing and marketing budgets.
- Factory Viability Analysis: To ensure that processing units are economically sustainable and contribute positively to the value chain.
- Flexible Financial Allocation: Marketing finance will remain adaptive to changes in product mix, seasonal demand, and evolving market dynamics.