



India: Improving Small Farmers' Access to Market in Bihar and Maharashtra

Project Name	Improving Small Farmers' Access to Market in Bihar and Maharashtra		
Project Number	43105-012		
Country	India		
Project Status	Active		
Project Type / Modality of Assistance	Grant		
Source of Funding / Amount	Grant 9147-IND: Improving Small Farmers' Access to Market in Bihar and Maharashtra		
	Japan Fund for Poverty Reduction	US\$ 3.00 million	
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Governance and capacity development Partnerships		
Sector / Subsector	Agriculture and Natural Resources - Agricultural production		
Gender Equity and Mainstreaming	Gender equity		
Description	<p>The impact of the Project will be the increased income of small-scale farmers in Bihar and Maharashtra through access to alternative higher-return markets. The outcome will be the enhanced integration of small-scale fresh fruit and vegetable (FF&V) farmers, including female and scheduled caste (SC) and scheduled tribe (ST) farmers, into the horticulture value chains in those states. The outputs of the Project will be: (i) 2,000 small-scale farmers are organized into 20 effective farmer groups (6 in Bihar, 14 in Maharashtra); (ii) 4 well-performing farmer groups are developed into producer companies (1 in Bihar, 3 in Maharashtra); (iii) 20 farmer groups and 4 producer companies are trained in business, technical, and organizational management skills; and (iv) farmer groups and producer companies establish long-term mutually beneficial agreements with buyers.¹ The activities comprise: (i) formation of farmer groups and producer companies; (ii) capacity development; (iii) facilitation of farmer-buyer linkages; and (iv) project management, monitoring, and evaluation.</p> <p>Expected Key Performance Indicators (maximum 5 indicators):</p> <p>(i) Twenty farmer groups (6 in Bihar, 14 in Maharashtra), comprising approximately 2,000 farmers, are successfully organized in a financially sustainable manner.</p> <p>(ii) Four well-performing farmer groups are turned into self-sustaining producer companies (1 in Bihar, 3 in Maharashtra).</p> <p>(iii) Members of farmer groups are trained in business, technical, and organizational management skills that enable them to interact with markets.</p> <p>(iv) Farmer groups (at least 20% in Bihar and 50% in Maharashtra) enter into higher-value markets by the end of the Project.</p> <p>(v) Project beneficiaries' income increases by 30% within 3 years after the Project.</p>		

Project Rationale and Linkage to Country/Regional Strategy	<p>Until the recent international financial crisis, India had demonstrated strong economic growth, averaging 8.7% per annum since 2004. However, growth of the agriculture sector, which employs about 60% of the country's workforce, has stagnated at about 2% per annum since 2000. The rural non-farm sector, which is strongly correlated with the performance of the agriculture sector, has also been slow to grow. This is primarily because the present marketing and processing systems are riddled with long and fragmented supply chains, high wastage, poor infrastructure, and excessive market regulations. These factors have contributed to the slow agribusiness development, limiting off-farm employment generation and thus contributing to the widening rural-urban income disparity. Rural per capita household expenditure is estimated to be less than half that of urban households. Of the nearly 120 million farmers in India, roughly 40% are landless and about 28% are classed as marginal, with only 0.01 to 0.04 hectares of cultivated land.</p> <p>Against this backdrop, the Government of India (GoI) has made inclusive growth its overarching goal in its 11th Five Year Plan (2008-2012). It prioritizes the reduction of regional and rural-urban disparity and of chronic poverty through inclusive growth. GoI highlights private sector-led agricultural growth, through greater crop diversification, higher value addition, and improved farmer-market linkages, as an important driver for poverty reduction and rural economic growth. Given the large number of small-scale farmers, GoI highlights the importance of giving the poor farmers adequate bargaining power through group formation. ADB's Country Partnership Strategy (CPS) (2009-2012) emphasizes the alignment of ADB's policy with GoI's 11th Five Year Plan. It highlights ADB's continued support for GoI's efforts to promote inclusive growth, with a special focus on India's relatively poor and weak-capacity states. Agriculture is listed as one of the priority sectors in the CPS.</p>
Impact	Improved livelihood of the rural poor through provision of on-farm and off-farm income generation opportunities in the target sites of Bihar and Maharashtra.

Project Outcome

Description of Outcome	Enhanced integration of small-scale FF&V farmers into high-value horticulture value chains in the target sites of Bihar and Maharashtra.
Progress Toward Outcome	Project implementation units in Bihar and Maharashtra are established and operational.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> Enhanced ability of target farmers to provide consistent FF&V supply that meets the requirements of modern markets. Improved linkage between target farmers and the market. Project management system established.
Status of Implementation Progress (Outputs, Activities, and Issues)	<ol style="list-style-type: none"> Baseline surveys have been completed and identification of potential products and interested farmers has been initiated. Training, exposure visits and market linkages for the target farmer groups and farmer producer companies are ongoing. In Bihar, formation of FGs and FPCs from agriculture production clusters has started. In Maharashtra, formation of 1,404 FGs with a membership basis of 22,417 farmers, and formation and registration of apex FPCs have been completed. Project implementation units in Bihar and Maharashtra are established.
Geographical Location	States of Bihar and Maharashtra

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples
Stakeholder Communication, Participation, and Consultation

During Project Design	During the first PPTA for the AIDIP (Jul 2007 to May 2008), crucial stakeholders in the public, private and cooperative sectors at the central and state levels, as well as farmers, entrepreneurs, trade organizations, and financial institutions at the state and local levels were consulted. Interviews were also carried out with selected communities during the field visits, which led to the identification of the high need to organize farmers into production groups to facilitate their integration into the value chain. During the JFPR design phase, an intensive consultation was held with the communities, community-based organizations/nongovernment organization (CBOs/NGOs), existing cooperatives/agro-enterprises, and governments to fine-tune the design of the Project. The actual activities will be implemented in a demand-driven approach with local NGOs.
During Project Implementation	

Business Opportunities

Consulting Services	48 person months (pm) of individual consultants (national experts in project implementation and training) will be recruited individually by ADB, in accordance with ADB Guidelines on the Use of Consultants. In addition, 30 unallocated pm for a pool of experts or NGOs will be available on a demand basis. Should NGOs be identified as the IAs, they will be selected through quality-based selection to ensure that NGOs with appropriate skills and experience are selected, albeit with higher costs. This is especially important in India, where similar NGOs abound, but few actually possess the capacity to undertake the required tasks. Should additional consultants (both international and national) be deemed necessary, they will be recruited by the GIUs, following consultation with and approval of ADB, and in accordance with ADB Guidelines on the Use of Consultants (2007, as amended from time to time). Their qualifications and terms of reference will be developed by the project implementation specialist, based on the requirements of the private sector investors, and will require prior approval from ADB.
Procurement	No major procurement is planned under the Project. However, all procurement under the Project will be conducted in accordance with ADB's Procurement Guidelines (2007, as amended from time to time). Contracts for goods estimated to cost less than \$500,000, but more than \$100,000, shall be procured on the basis of national competitive bidding (NCB) procedures. Contracts for goods estimated to cost \$100,000 or less shall be procured using shopping procedures. There is no international competitive bidding envisaged under the Project. Before any procurement starts, ADB and the Grant Recipient will review the Grant Recipient's procurement procedures to ensure consistency with ADB requirements. The GIUs will procure the office equipment and hand them over to the EAs at the conclusion of the Project.

Responsible Staff

Responsible ADB Officer	Tayyab, Ahsan
Responsible ADB Department	South Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SARD
Executing Agencies	<i>Bihar Department of Agriculture Department of Agriculture, Barrack no. 13, Main Secretariat, Patna, India 800015 Department of Agriculture V_RAGHAVAN@NIC.IN (MR. S. VIJAYARAGHAVAN, IAS) Govt of Bihar, Old Secretariat Patna-1, Bihar-800001, India Maharashtra Department of Cooperation, Marketing and Textile Mantralaya, Mumbai - 400 032, Maharashtra, India</i>

Timetable

Concept Clearance	-
Fact Finding	03 Aug 2009 to 06 Aug 2009
MRM	-
Approval	30 Jul 2010
Last Review Mission	-
PDS Creation Date	30 Jun 2009
Last PDS Update	30 Jan 2017

Grant 9147-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual

30 Jul 2010

21 Nov 2011

21 Nov 2011

30 Jun 2014

30 Apr 2018

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Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	3.00	Cumulative Contract Awards			
ADB	0.00	30 Jul 2010	0.00	1.37	46%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	3.00	30 Jul 2010	0.00	0.85	28%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	-	-	-	-	Satisfactory

Project Page <https://www.adb.org/projects/43105-012/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=43105-012>

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