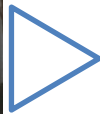


Policy Support Needed for Establishing Decentralized Processing Units for Small Millets

Learning and insights



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2. Role of Government
3. Policy support needed for
 - a) Addressing knowledge gaps in processing
 - b) Supporting establishment of a thriving ecosystem for processing
 - i. Equipment manufacturing level
 - ii. Distribution level
 - iii. Processors level
4. Moving forward- leads for discussion

Shared from our experience of working with equipment manufacturers, processors!



Context

- Millets has received considerable attention in the last one decade from all stakeholders
- Regional value chains are emerging
 - Private players have been entering in good no.s in some states
 - Mainly micro and small enterprises and few medium ones
 - Considerable number of millet FPOs being promoted
- Considerable Government support in some states
- ***Favourable situation for transition from 'niche foods' to 'mass foods'***
- Developing decentralised processing infrastructure is the key



Role of Government

1. Addressing knowledge gaps
2. Supporting initial establishment **until a threshold level is reached from where the private forces take forward**
3. Regulation- **Setting up the product standards on machineries and food products**
4. Creating an environment conducive for small scale private initiatives



Addressing knowledge gaps

1. Improving the primary processing equipment
 - Improving the existing machinery
 - Filling the gaps by new equipment development
2. Improving the shelf life of products
3. Research on product standards
 - like level of polishing
4. Research on byproduct utilisation
5. Managing kodo millet poisoning
 - Robust mechanism for field testing and improving technologies based on users feed back



Supporting establishment of a thriving ecosystem for processing

Needs support at

- Equipment manufacturing level
 - Exclusive support to processing equipment manufacturers
- Distribution level
- Processors level
 - Exclusive support to processors



Support to equipment manufacturers

Current situation

- The equipment are not standardised
 - Design vary from one order to another
 - Operational manual is not offered to the buyers
 - Machine related standards, like safety standards, are not adequately followed
- Limited investment on promotion across India
- Inadequate arrangements for long distance sales and for after sales service

Inadequate competition, poor research input & lack of enforcement of standards aids these state of affairs!



Support to equipment manufacturers...

- a) Support for product improvement & standardization
- b) Supporting in developing B2B linkages
 - Support for participation in tech fairs
 - Support for online sales
- c) Improving production capacity
- d) Access to capital



Creating an enabling environment

1. Developing machine standards and ensuring adherence
2. Supportive tax regime
3. Removing entry barriers to Govt. bids
4. Empanelment of well-performing manufacturers



Distribution level

1. Development of a demonstration cum business hub in each production region
2. Dissemination of processing technologies
3. Development of local cadre of mechanics



Support for processing enterprises

1. Village level processing enterprises

- For custom hiring service

- a) Choosing the right agency
- b) Hand holding until establishment
 - Support for installation
 - Structured capacity building for operators
 - Support for popularising
- c) Reviving the defunct units
 - Servicing the existing machines
 - Giving additional equipment



Support for processing enterprises...

b. Regional processing enterprises

- For commercial supply of rice, grits and flour

a) Establishing/ expanding production facility

b) Incubation support

- Structured capacity building
- Building market linkages
- Access to credit at easier terms
 - Credit guarantee fund

c) Creating enabling environment

- Reducing barriers to entry
- Production incentives- electricity
- Marketing thro' govt. outlets like Kamadenu
- Ensuring product quality standards like level of polishing



Supporting new entrants

- Guidance to be provided on
 - Purchasing machines based on proposed scale of operation
 - Testing the machine at the manufacturer site
 - Layout
 - Installation
 - Post-installation testing
- Exposure visit to running SMPUs and equipment manufacturers

Supporting FPOs/ farmers' organisations in setting up processing unit



Moving forward- leads for discussion

1. Develop a long term action plan
 - Setting up a technical support group at different levels
 - Working on the cost of supporting manufacturers and SMPUs from the available experience
2. Modus operandi?
 - Single window support system at the state and district level to offer integrated support
 - Resource support organisation in each production region
3. Effective collaborative mechanism for multiple stakeholders?





Thank you!



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