



**COMMUNITY ENTERPRISE AND SUSTAINABLE LIVELIHOOD
CREATION: A STUDY ON FEASIBILITY OF PROMOTING MANGO
PROCESSING UNIT BY SHG FEDERATION IN NATHAM, DINDIGUL
DISTRICT -TAMIL NADU**

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I. INTRODUCTION

Farmers' livelihoods are highly dependent on earning a fair price for their agricultural goods. This may be done by increasing the value of the produce. The bulk of farmers, however, are tiny and marginal. They are unable to give personalized participation in activities that would assist add value to their products. Farmers' SHGs allow for a lot of teamwork. The purpose of this research is to determine the feasibility of establishing a mango processing facility by a SHG federation of mango producers. The viability of the proposed processing unit is investigated in terms of its economic, organisational, technological, and environmental aspects.

The Impact of Mango Processing on the Income of Primary Farmers investigated the impact of mango processing on small producers in the Andhra Pradesh districts of Visakhapatnam and Chittoor. These districts were chosen because they cover a significant area under mango trees, including well-known species such as totapuri, rosapuri, and alphonso, which are regarded ideal for jelly and canned pulp. Aside from raw materials, labour, utilities, repairs, packaging losses, and other information, banks' funding and income levels were investigated (Banerjee, Sarada and G.D Banerjee, 2003). The research Value Addition in Mango Processing for Pulp in the South Konkan Region (Maharashtra) investigated the economics of pulp production profitability and value addition in mango pulp processing. Mango processing for pulp production has proven to be a lucrative enterprise. It needed a capital investment of Rs. 19.28 lakhs, with just 18% being fixed capital and 82% being working capital (Naik V et al. 2008). This foundation was formed in 1985-1986 with a membership of 37 mango producers from Rajapur's nearby villages. A total of fifteen mango producers from Rajapur and Harnai villages in Ratnagiri district were chosen at random and detailed information was collected. According to the statistics, each sample grower's average area under mango production was 1.30 hectares. 2.92 tonnes of mangos were produced on average per farm (Khodaskar, R D 2003). Conceptual model for women's micro-enterprises SHGs should be viewed as the implementation of suitable products/activities for micro-enterprises in a certain area (in this case, Kutch) through a process which enables women's social, economic, and political empowerment. The study's conceptual focus was on women instead of technical or financial issues. Participatory technique was used. The majority of the groups (of women) were determined to be in a fairly formative stage, according to the study. Furthermore, the skills, exposure, and degree of understanding



necessary to be an entrepreneur were very modest, allowing people to establish and manage a firm autonomously. For a limited time, the research advised that the organisation play a very active part in the process of developing and administering the firms.

For a limited time, the research advised that the organisation play a very active part in the process of developing and administering the firms. It was also proposed that SEWA use a cluster approach to these two products/activities in order to take advantage of economies of scale (Krishna Uma Mahesh Thacker 2007). Women's Empowerment and Livelihood Diversification via Self-Help Microcredit Program: Evidence from Jammu and Kashmir emphasizes the idea of livelihood diversification, which refers to rural people seeking a variety of ways to increase and sustain their earnings. The assets in their portfolio—social, human, financial, natural, and physical capital—determine their incomes. The vulnerability of poor women can be reduced by teaching them extra skills to generate more money for the family's betterment. In Jammu and Kashmir, women were given training in a variety of skills that they could utilise not just at work but also in their spare time as part of the Integrated Watershed Development Project.

Despite the fact that microcredit was offered at the outset of the initiative, the ladies began working rather slowly. They began to save more money during the third year, and with additional training in entrepreneurial skills, they began to generate money through micro-enterprises, which provided a steady source of income. As a result, women gain authority (F. K.Sudan, 2006). As a result, the current study intends to examine several areas of value addition research in India, as well as the methodologies used to launch the proposed unit. The study also attempts to identify weaknesses in current research and where more research should be focused so that meaningful steps for community livelihood development may be taken.

II. STATEMENT OF THE PROBLEM

The main problem is low price. To address the issue, CCD Trust, a local non-governmental organisation, mobilised and assisted them in selling the mangoes to a nearby manufacturer. Over time, it has aided in reducing the number of intermediaries involved in mango marketing. The formers, on the other hand, are unable to take use of the edge in value addition. Farmers in the area plan to convert the mango into pulp and sell it to wholesale customers who will then sell it to fruit juice manufacturers. Will the business plan be financially sustainable and profitable? Is the planned unit going to be able to receive the raw materials it needs? Is the unit that has been presented technically feasible? Will you be able to get the necessary raw materials within a suitable time frame? Will people of the area's numerous SHGs be able to launch and operate the factory? Would the product be able to locate a market? In other words, would the planned unit be financially sustainable, technically possible, and administratively efficient? The study's goal is to address these challenges and establish if building such a unit through the SHG federation is feasible.



III. OBJECTIVES

The primary purpose of the project is to determine if growing mango processing units through a SHG partnership is possible. The research would specifically aim at

- 1) Determining the resources necessary to launch the unit.
- 2) Determine the proposed unit's economic, technological, and organizational viability.
- 3) Make recommendations for a project implementation approach.

IV. METHODOLOGY

This is an explorative study. The goal is to investigate the feasibility of establishing a small manufacturing unit. The mango producers' data was collected using the survey approach. Secondary data was gathered from an NGO and a federation of SHGs that work to promote the socioeconomic interests of farmers in general, and mango producers in particular. The information was gathered from the Tamil Nadu government's agricultural department. The tool is used to gather information from the respondents in a pre-planned structured interview.

4.1 SAMPLING

The Block was selected since it was mostly a mango-growing region. Furthermore, through the SHG federation, an NGO is actively involved in promoting the interests of mango producers. The NGO has established 44 mango farmers' SHGs in six panchayats comprising 21 villages. The following parameters were used to choose a sample of 13 villages:

Distance of the village from the proposed location of the processing unit

- 1) Mango growers
- 2) Presents of the mango growers SHG

There were 535 members in the federation of mango growers SHGs who participated in the testing. The study enlisted the participation of 90 people.

4.2 TOOLS FOR THE DATA COLLECTION

To obtain the information and survey questionnaires, a pretested interview schedule was used. The schedule sought data on socioeconomic status, membership details, mango marketing, market challenges, mango processing, assistance and risk management, and ideas. The data from the SHG organization was collected using yet another timetable. Identification and background information, raw materials, land data, machinery, water, the environment, marketing, financial details, and predicted revenue and spending are all covered in the schedule.

V. SCOPE OF THE STUDY

The research's primary goal is to determine the feasibility of developing a mango processing plant, therefore it's fundamentally preliminary report. Its goal is to determine the enterprise's economic viability, technological feasibility, and organizational value in order to promote and operate it. The report also makes an attempt to recommend a plan for implementation.



VI. LIMITATION OF THE STUDY

- The study is limited to Natham Block. As a result, the conclusion must be reached with caution. When an effort fails, the results are generalised.
- The sample does not keep track of its cultivation expenditures, inputs, costs, or returns. As a result, the obtained data would have a certain level of memory bias.

VII. RESULTS AND DISCUSSION

7.1 Organizational Feasibility

The proposed big processing plant will be pushed, created, and operated by the Natham Block Federation of Farmers' Groups. The unit's eventual success and achievement of its goal are primarily dependent on the organization that will promote it and the members of the federation who will support its administration. As a result, the organizational feasibility is examined in terms of the federation and its operations, as well as the profile of the federation's members and their capacity to administer and sustain the organization. The purpose of this chapter is to evaluate the organizational feasibility.

7.2 The Federation

The Natham Vivasayeegal Sangakalin Kootamaippu federation was founded in January 2005, with its headquarters in Natham. The organization was founded by 44 SHGs with a total of 535 members. The federation's authority encompasses 21 communities. The federation was formed in order to protect the farmers' joint socioeconomic interests in the region.

7.3 Socio-Economic Profile Of The Federation Members

The respondents' socio-economic profile indicates that they are in the productive age group; their family size is very small; around 80% of them are literate; the majority of them are small and marginal farmers; the property owned is mostly dry in nature supply for mango agriculture; the vast majority of them cultivate mangoes; they have a limited number of livestock; they are all members of SHGs and their SHGs are members of the association; they are all members of SHGs and their SHGs are members. As a result, people from a moderate socioeconomic background would be able to contribute to the planned processing unit by selling mango to the market and providing employees.

7.4 Self Help Group (Shg)

Membership Year

Approximately two-thirds of the respondents had only been members of SHG for a few months. The rest of them have been members for 2 to 3 years. This demonstrates that the concept of farmers banding together to form SHGs is very new. The same features may be seen in Figure 1.

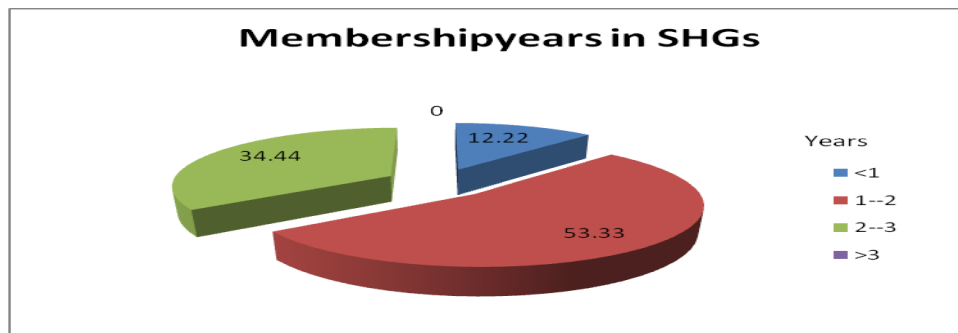


Figure 1 show the years of Membership in SHGs

7.5 Members of the Group's Month-by-Month Savings

Savings is a leading indication of economic development. SHG savings reflect a member's ability to save. It also demonstrates faith in the effectiveness of SHGs. The members all come from low-income families. They might not be able to save much at first. Individuals are more likely to preserve money if their socioeconomic condition improves.

7.6 SHG Loan Details

The internal lending in SHG is one of the important sources that cater to the emergent credit needs of its members. Based on the necessity and proper repayment, a member becomes eligible for further doses of credit.

TABLE: 3 Shg Loan Details of Members in Group

| Amount Loan detail | <2000 | 2001-4000 | 4000-6000 | >6001 | Total | Percent |
|------------------------|--------------|--------------|-------------|-------------|-----------|---------------|
| I st loan | | | | | | |
| II nd loan | 8(88.89) | 1(11.11) | | | 9 | 26.47 |
| III rd loan | 2(50.00) | 1(25.00) | 1(25.00) | | 4 | 11.77 |
| Total | 22 | 8 | 3 | 1 | 34 | |
| Percentage | 64.71 | 23.53 | 8.82 | 2.94 | | 100.00 |

Source: Primary data

From the chart above, it can be seen that the majority of members (61.76) have only used the first dosage of the SHG's loan. The credit amount is likewise quite little. It was less than Rs.6000/-, which is insufficient for any useful purpose. While the SHG's internal lending meets their consumption needs, bigger doses of credit must be established through bank linkage in order to stimulate entrepreneurship by offering credit for productive operations.

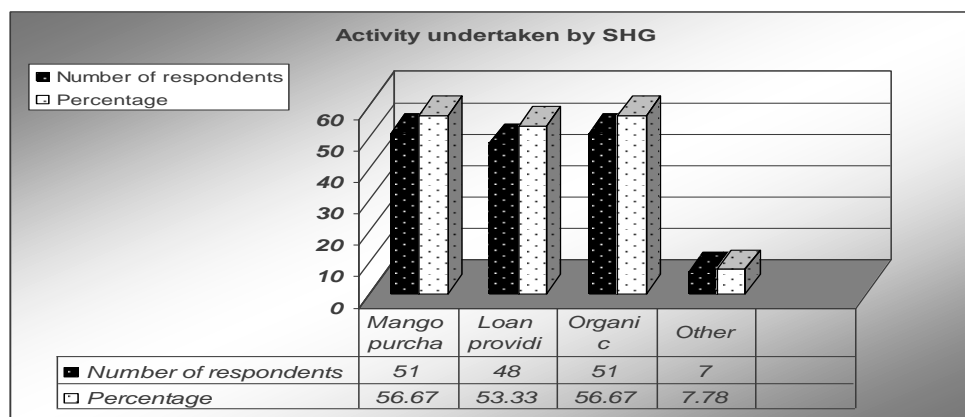
7.9 Shg Loan Repayment Details

Proper repayment culture is one of the important credit disciplines that have been instilled among poor through the SHG movement.

It could be observed that the respondents have repaid the loans availed to the tune of 50% to 70% of the total amount. This shows that the members are capable of repaying the debts they have taken out, so guaranteeing them for increased credit limits.

Because the loans they took out were small, the majority of the respondents had no trouble repaying them. The main problems in repayment of loan are: i) income is earned only during mango season; ii) unexpected expenditure; iii) low income; and iv) heavy investment in agriculture.

Figure 2 Activity Undertaken By Shg



The primary activities of the SHGs as reported by the respondents are: i) procurement of mango; ii) provision of credit to members; and iii) training in organic farming.

7.10 PROBLEM

Pooling, grading, standardisation, storage, shipping, and selling are all issues that responders encounter. If the recommended unit is launched, the problem will be solved. As a result, the proposed federation-managed entity will be organised by mango farmers for mango growers and of mango growers.

OUTCOMES

TABLE: 6 OUTCOMES OF MARKETING THE PRODUCT THROUGH SHG

| Sl. No | Outcome | Number of respondents | Percent |
|--------|----------------------|-----------------------|---------|
| 1 | Correct price | 24 | 26.67 |
| 2 | Less transport cost | 21 | 23.33 |
| 3 | No commission charge | 17 | 18.89 |
| 4. | Correct weight | 5 | 5.56 |
| 5 | Other | 2 | 2.22 |

From the table 6 it could be observed correct price (26.67 %), less transport cost (23.33 %), no commission charge (19 %) are the major outcomes of the marketing the product through SHGs.

**TABLE: 7
REASON FOR NOT SELLING THROUGH SHG**

| Sl. No | Reasons | Number of respondents | Percent |
|--------|----------------|-----------------------|---------|
| 1 | No opportunity | 25 | 27.78 |
| 2 | Very low yield | 10 | 11.11 |
| 3 | Not interested | 11 | 12.22 |

The unwillingness to market through SHG is chiefly attributed by the respondents to “lack of the market opportunities” (27.78%) followed by “not interest” (12%) and “low yield” (11%). But then collective efforts through SHG have not yet been explored so far.

TABLE: 8 SHOW SELLING PRICE SATISFACTION OF MANGOES

| Sl. No | Selling price satisfaction | Number of respondents | Percentage |
|--------|--|-----------------------|------------|
| 1 | Yes | 44 | 48.89 |
| 2 | No | 46 | 51.11 |
| | If no reason i)High investment cost required for cultivation | 34 | 73.91 |

More than half of the respondents were not satisfied with the selling price that their mangoes fetch. Their cost benefit analysis results are not encouraging them since the returns do not match the high investment required for mango cultivation. The remainder, on the other hand, was pleased with the price they received for their goods.

TABLE: 9 BENEFITS IF A PROCESSING PLANT IS ESTABLISHED THROUGH SHG

| Sl. No | Benefits | Number of respondents | Percent |
|--------|---------------------------|-----------------------|---------|
| 1 | No commission | 51 | 56.67 |
| 2 | Less transport charge | 59 | 65.55 |
| 3 | Correct price and payment | 38 | 42.22 |
| 4 | Correct weight | 30 | 33.33 |
| 5 | Employment opportunities | 21 | 23.33 |
| 6 | Easy market | 15 | 16.67 |

The major budget of establishing a processing unit as reported by the respondents are: i) elimination of commission against (56.67 %); ii) reduction in transport cost (65.55 %); iii) correct price and payment (42.22 %); iv) correct weight (33.33 %); and v) employment opportunities (23.33 %).

7.11 TYPES OF SUPPORT EXTEND TO MAKE IT AS VIABLE UNIT

TABLE: 10 TYPES OF SUPPORT

| Sl. No | Support | Number of respondents | Percent |
|--------|---------|-----------------------|---------|
|--------|---------|-----------------------|---------|



| | | | |
|---|---|----|-------|
| 1 | Regular supply of quality mango | 75 | 83.33 |
| 2 | Supply of other raw material | 20 | 22.22 |
| 3 | Procurement of mango from non group mango | 17 | 18.89 |
| 4 | Supply of labour | 42 | 46.67 |
| 5 | Support for improvement of factory | 4 | 46.67 |

The functioning of the proposed unit depends on the support extended by the members of the SHG to the unit. On a question what type of support they would extend to the unit, the members reported that they would i) supply quality mango regularly (83.33 %); ii) supply other raw materials (22.22 %); iii) take efforts to process mango from non-members (18.89 %); iv) provide labour (46.67%); and v) extend all the other support assisted to run the factory (46.67 %). (See Table 10)

7.12 RISK ANTICIPATES FOR PROCESSING UNIT

The members claim that "nothing comes without a tag attached to it." Yes, they've considered the dangers that may harm the planned unit. More than half of the respondents saw the presence of intermediaries and the issues they might cause as the greatest concern, followed by price fluctuations (20%) and political intervention (10%). (16.67). Shortage of electricity (15.55 percent) is also seen as a danger when operating the unit.

VIII. SUGGESTIONS

TABLE: 11 SUGGESTIONS FOR THE IMPROVEMENT OF PROCESSING UNIT

| Sl.no | Suggestions | No.of respondent | Percentage |
|-------|--|------------------|------------|
| 1 | Unity should be developed | 36 | 40.00 |
| 2 | Pre –amount should be given | 4 | 4.45 |
| 3 | Strong owners | 1 | 1.11 |
| 4 | Maximum price should be given to product | 5 | 5.00 |
| 5 | Current(correct) payment | 8 | 8.89 |
| 6 | Need proper guide | 3 | 3.33 |
| 7 | Economic help | 1 | 1.11 |
| 8 | Other processing should be done after mango processing | 4 | 4.44 |
| 9 | Generator | 2 | 2.22 |

Coming together and collective efforts to fortify against the risks is the topmost strategy suggested by the respondents. This feeling of necessity to be united must be nurtured in order to overcome the challenges and make the proposed fruit processing unit a success.



8.1 ECONOMIC FEASIBILITY

The planned machine, which has a processing capacity of 36 tonnes, has guaranteed mango supply for 120 days. The raw material required for the units is available within a radius of 2 to 15 km. Water required for the processing unit is 20000 liters per day. Water is available in right quantity and quality. The capacity of the unit per day is 36 tonnes. The unit will operate in two shifts. The capacity can be fully utilized. As a result, the cost per unit will be quite low. The project's funding requirements can be met. The project requires a total of Rs. 3 crores in funding. 2 crores will be obtained as a bank loan with a 12-percent interest rate; Rs.48 lakhs will be mobilised from Nadukara Agro Processing Unit, which would be the unit's customers of completed goods; and the remainder will be mobilised from Aharam Mooligai Co. Ltd., a partner in the planned unit. Profitability is a possibility for the planned unit. The payback period for the project is 3.5 years. The net present value is Rs.2,278,725 and the cost benefit ratio is 2.139. Thus the project would be commercially viable unit.

8.2 TECHNICAL FEASIBILITY

Building for the proposed unit is available. The promoter would like to lease the building at a rent of Rs.3,00,000/- each per annum. Organic farming has been taught to the SHGs in the area. As a result, mango producers will be able to offer high-quality fruit. Currently only unskilled labour is available. The proposed unit requires skilled labourers. The unit can give skilled labour from Krishnagiri which has more number of mango processing units. The proposed unit has decided to train the unskilled labour over a period of two years with the help of hired skilled labour from Krishnagiri. Expansion if any, over a period is possible as land is available. The machinery for the proposed unit can be procured from Bombay, Bangalore, Chennai and Coimbatore. The maximum time required to process the machinery is 3 months. The total time required for commissioning the project is 13 weeks from the date of arrival machinery to the site of the proposed unit. The total cost of the machinery is Rs.69,89,558 raw material cost per season of 120 days is Rs. 1,37,50,000. The processing and labour cost is Rs.30,00,000. The administrative cost is Rs.7,00,000. The total cost for the project is Rs.2,52,39,558. The proposed unit will not cause only damage to the environment. Being a processing unit, much of the waste will be decomposed and used as fertilizer. An effluent treatment plan can be installed at a cost of Rs.6, 00,000/-

IX. CONCLUSION

From the study, it is concluded that the proposed unit is economically, organizationally, technically viable. Economic prosperity of any developing country depends on the integration of agriculture with industry. The dominance of farming can be enlarged from grain production to food processing. Now SHGs also considers as one of the leading development factor of the country's economy especially in the rural area. For sustaining and increasing the income of the SHGs members, there must be a convergence of SHGS and the agriculture industries. This concept must sustain the agriculture and rural people's income, especially the farmers. Thus, this kind of mango processing unit will helps to develop the farmers in the Natham area.

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