
ORMAS: Achievements and Challenges in Promoting Livelihoods in Rural and Forest Areas in Odisha

Jyoti Prakash Mohanty¹,

PhD Scholar, Ravenshaw University

Dr. Suprava Sahu²,

Faculty, Department of Commerce,

Ravenshaw University

Orissa Rural Development and Marketing Society (ORMAS), as an autonomous body under the Panchayati Raj Department, Govt. of Orissa, was constituted in 1991 under the Societies Registration Act, 1860. The district level agency of ORMAS is known as District Supply and Marketing Society (DSMS) which plays an active role as a catalyst for providing all kinds of training, capacity building and marketing support to rural artisans and producers. DSMS also works as a facilitating agency for implementation & monitoring of Swarnajayanti Gram Swarozgar Yojana (SGSY).

With set goals and defined objectives to uplift the socio-economic status, improve the life style and reduce the vulnerabilities of the rural and tribal poor people in Odisha, the Government of Odisha setup an autonomous professional body as 'Odisha Rural Development and Marketing Society' that was constituted in 1991 under the Societies Registration Act, 1860. Popularly this body is known as ORMAS. With mutual collaborations and cooperation ORMAS has been engaged in number of activities and programs like livelihood promotion, marketing of rural and forest products, skill development (DDU-GKY), Mahila Kishan Sashaktikaran Pariyojana (MKSP), SHG promotion, entrepreneurship development, capacity building etc. Under the institutional operational framework it has been making positive efforts facilitating sustainable livelihoods for rural and forest producers under different poverty alleviation government programmes. These programs are felicitated and supported the Central Government focusing on the rural development, poverty alleviation, women empowerment, entrepreneurship development and most recently on the financial inclusion of the rural poor households. Training, skill upgradation, capacity building, value addition, marketing support, key activity support, cluster based approach, adaptation of the best practices, market and production exposure visits are the main tools and methods being used by ORMAS.

Rationale behind setting-up ORMAS:

The Self Help Groups (SHGs) have been successful in poverty alleviation. Social and economic empowerment of poor and deprived sections across the world. Especially, in most of the South-Asian, Latin and African countries SHGs have contributed significantly towards poverty eradication by providing livelihood support, formal and informal finance and group based entrepreneurial activities. The need to establish ORMAS, more or less with the same spirit, defined

structure and functioning, was realised by the Government of Odisha to facilitate rural poor to organise their financial activities that include production, marketing pre-post market-linkages. Since its inception ORMAS has been trying to provide them an institutional platform by using which they can enhance the quantity and quality of their products as per the market demands, subsequently maximize their profits and expand their economic activities, production and enterprise further.

The ORMAS is an agency, which is determined to improve the marginalised peasantry i.e. small, marginal and landless farmers through participatory and interactive activities at ground level and technological incentives, training and awareness with expert resources. The objective behind selecting SHGs as the torchbearers of socio-economic development of the vulnerable, marginalized and poor sections of society meets two goals simultaneously. It makes successful efforts to improve the lives of the people belonging to these sections.

Like other organizations the ORMAS too have its 'mission' and 'vision' which are described as below:

“To move out the rural producers and the artisans from the poverty line (the Vision)' and 'to facilitate the empowerment of the rural producers through economic upliftment (the Mission).” To achieve the objectives as per the 'mission vision' the ORMAS has been working on the 'formation and management of the SHG clusters', 'capacity building of the SHGs with the help of SGSY', 'initiation of the microenterprises and micro credit linkages' and on the 'sustainable self-managed activities.' The intervention made by the ORMAS and related success stories explains the rationale behind its setup.

The Success Story – One: Shakti Federation, Khajurinal, Balliguda

The traditional as well as contemporary economy of the Kandhamal district in Odisha largely depends on turmeric and allied products. Food grain farming. i.e. paddy farming, that is popular here, is mainly done for subsistence in Kandhamal and that too is not sufficient for rural and tribal families throughout the year. Besides providing income generating opportunities turmeric is also associated with culture of the people of the area but it is also sensitive towards the fluctuation of market prices. Seeing the traditional and present situation of turmeric farming, it's processing and marketing, ORMAS made developmental attempts to help the turmeric producers so they can do it in a sustainable better profitable way. These efforts initiated by organizing selected and interested turmeric producers firstly in SHGs, subsequently in form of a producer group and in a federation registered as the 'Shakti Federation, Khajurinal', Balliguda.

The objective of SHGs, namely the Mahashaktee Narijagaran SHG, Baliguda and the Maa Patakhanda SHG, Baligudais has been to diversify the Kandhamal turmeric pan-Orissa through product exhibition, sales through these exhibitions and marketing tie-ups with other organizations. Through the efforts made by the federation and supports provided by ORMAS and SMSM the swarojgaries have been able to increase their production and income successfully.

Formation of the producer group by SHGs: As the producer groups are formed by more than one SHGs, this producer group also is a result of combined efforts of eleven SHGs formed under the ORMAS's 'support and intervention framework.' The Table 01 below consist the details of the SHGs who formed this producer group:

Table 01:

SL No.	Name of SHG	Number of SHG members	Date of formation	SHG forming agency	Bank account - Bank	Bank account number
1	Mahashakti SHG	16	29.12.2005	ICDS	SBI Balliguda	01190062750
2	Maa Patakhanda SHG	20	04.02.2004	ICDS	SBI Balliguda	0117006394

Details of the Cluster: The Shakti Federation, Khaurinal in Balligudacluster too has more or less the similar structure that has been standard for other clusters made by DSMS on behalf of ORMAS. The following Table 02 provides basic details of this cluster:

Table 02

Name of the cluster		Khajurinal
Name of the activity		Turmeric
Period of the business cycle in an year		01 st April to 30 th September
Type of the cluster		Existing and active
Address		Khajurinal, Balliguda
Name of the Producer Group		Shakti Federation
Producer Group formed on		27.08.2013
Name(s) of Livelihood Support Person(s)		Panchanan Choudhury
Bank account details	Bank and Branch	SBI, Balliguda
	Bank account number	11717460645
Number of SHGs		3
Total Members		32

Traditional value chain of turmeric production in the cluster: The traditional value chain system of the turmeric production, particularly in Kandhamal district, is quite different from the value chain system developed with positive interventions of ORMAS and the DSMSs. To understand the new value chain system of the turmeric production it is important to study and understand its traditional form.

DSMS Intervention:

The DSMS in the district made a various efforts and a number of institutional interventions to facilitate the SHGs and entrepreneurs at the ground level in this cluster as well. The details of the interventions made by the DSMS in this cluster are explained through the following points:

Capacity Building – A five days capacity building training program to thirty two members of this producer group is given by the DSMS during the period 2007-08. This training was designed towards value addition in turmeric production, processing and marketing of turmeric and its allied products.

Working capital: To help the producer group for the startup activities, a revolving fund of Rs.8.00 lakh was provided to procure raw material, processing, production and value addition.

Provided a work-shed: A work shed is provided by DRDA under SGSY for production of molded and buffet plates in uninterrupted way by avoiding harmful weather changes.

Machineries and equipment: The DSMS under the guidelines made by ORMAS helped SHGs of the producer group to purchase required machineries and equipment for the processing of turmeric by using allotted seed capital and revolving fund. These machineries and equipment include turmeric polishing machine, grinding machine, pulveriser and weighing machine etc.

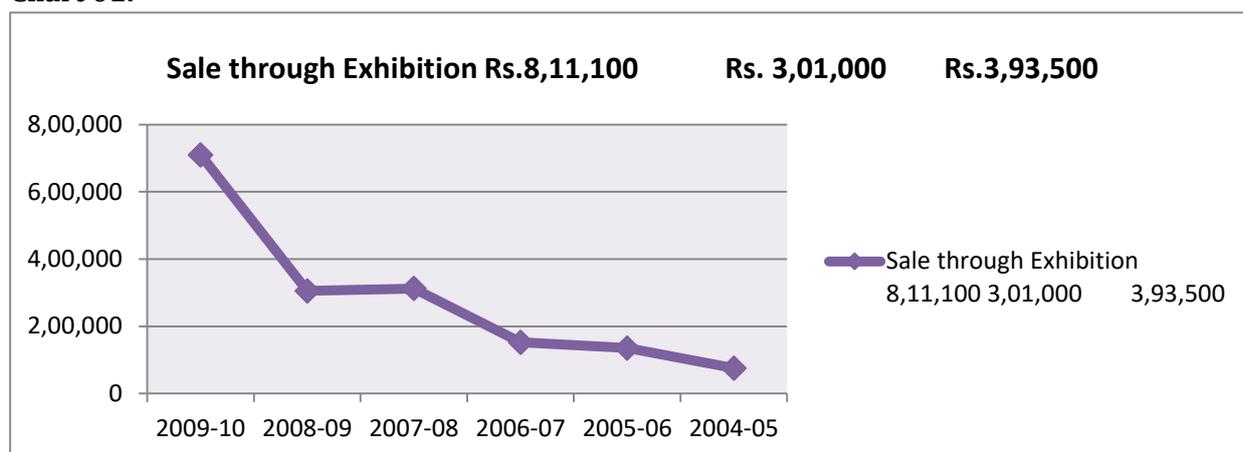
Other support provided by DSMS, Kandhamal: The DSMS, Kandhamal helped the federation in planning related with raw materials, helping out the producer groups and swarojgaries to coordination with different stake holders and monitoring of the entire production procedure and the value chain system that includes marketing as well. In addition to this, the DSMS also insures that the swarojgaries gets their wages on time and in a transparent manner. Organising monthly meetings of the swarojgaries of the group also is an important task as it helps to identify emerging problems and suggests best possible ways to minimize or to remove them. Marketing support to the cluster through exhibitions to promote products and also to increase the sale, helping the group to establish market linkages with chain –shops like Reliance Fresh, Bazar on wheel etc, are other valuable activities of the DSMS, Kandhamal in this regard.

Intervention in the value chain: In addition to the standardized interventions and support the DSMS, as a local program implementation body of ORMAS, has been making result oriented interventions in the value chain of the leave plates and cups. These interventions are explained below through a chart-diagram:

Intervention of ORMAS / DSMS in the turmeric value chain system: With the above mentioned support and interventions towards the turmeric production, the DSMS has been successfully able to bring positive changes in the turmeric value system.

Exhibition to promote the products and increase the sale by the Cluster: The DSMS Kandhamal has been helping the clusters and producer groups to promote their products and increase the sales of those products through product exhibitions. The following Chart 01 shows the pattern of increase in the overall sale by the cluster during six consecutive years i.e. from 2004-05 to 2009-10. The chart indicates that there has been a consistent growth in the sale of turmeric and allied products being produced and sold by the producer group in this cluster.

Chart 01:



Further details of increase in sale of turmeric products post-2010 are given in the Table 03 below. These figures also show a sharp increase in the overall sale through exhibitions of these products:

Table 03

Sl No.	Period	Sale through Exhibition (Rs.)
1	2012-13	8,11,100
2	2011-12	3,01,000
3	2010-11	3,93,500
4	2009-10	709,500
5	2008-09	305,290
6	2007-08	312,500
7	2006-07	152,250
8	2005-06	135,397
9	2004-05	75,357
	Total	16,90,294

Additional support by ORMAS and DSMS, Kandhamal: The DSMS made few additional efforts towards this cluster to facilitate the swarojgaries and producer group further. The details of the additional support given by the DSMS in this cluster are explained through the following points:

Institutional Building Fund: The DSMS and ORMAS have provided this Cluster with an institution building fund of Rs.72,500 to the producer group for office stationary materials, routine meetings and to provide monthly salaries to the Livelihoods Support Person i.e. Rs3000/month.

Basic Capacity Building Fund: The DSMS provided a basic capacity building fund of Rs.21,000 to the producer group. Rs.7,000 of this amount were dedicated towards the orientation program of the producer group while another Rs.7,000 were allocated towards an orientation-cum-training program on the roles and responsibilities of the group. Another Rs.7,000 were made available for the maintenance of record-books and accounts.

Thematic Capacity Building Fund: A thematic capacity building fund was provide to the turmeric producer group of this cluster by DSMS, Kandhamal to conduct training programs to all the members. The total amount of this fund is Rs.75,000, i.e. Rs.2,500/member to all 30 members of the group.

Other support provided by DSMS, Kandhamal: The DSMS, Kandhamal also helped the producer group for optimum utilization of the working capital and available human resources. Planning related with the raw materials, helping the cooperative, producer groups and swarojgaries to coordination with different stake holders and monitoring of the leaf collection, production and marketing etc. have been the areas in which DSMS has been helping at regular basis through ORMAS and support of other stakeholders.

There have been a number of success stories like this in the state. However, it cannot be said that every effort made by the ORMAS has been successful. There have been many challenges of different nature and of different degrees in different areas of execution in the state.

If such challenges get mitigated and problems are removed from the execution areas the ORMAS would be in a better situation to help its target groups to increase their earning and be socially and financially strengthened. The major challenges are identified in the areas of raw material collection, processing, packaging, marketing, lack of proper documentation, improper grading and impurity of some of the products, short life span of some of the products, lack of market research and poor level of advertisement, etc.

However, in spite of these challenges and problems ORMAS has been doing significantly good towards achieving it goals. With gradual removal of the above mentioned challenges and problems more can be achieved with the same efforts and resources.

Selected readings and citations:

Government of Odisha, 2014,

National Commission of enterprises for unorganized sector (NCEUS, 2007).

http://www.ordistricts.nic.in/district_profile/aboutus.php

www.kandhamal.nic.in

Census of India, 2011

Economic Survey of Odisha, 2011-12: Tentative Poverty Estimate

SISIR SARAS, Ministry of Rural Development, Government of India, Bhubaneswar Exhibition, 2015 Report

http://www.pmjdy.gov.in/scheme_detail.aspx, supported by 1.2 lac bank-mitras on 05-04-2016