



**Request for Proposal for Hiring an Agency for Developing & Executing Value Chain for Hill Brooms and Maize under Assam State Rural Livelihoods Mission.**

ASRLMS invites Request for Proposal (RFP) in electronic tendering system from reputed Agencies for Developing & Executing Value Chain for Hill Broom & Maize for Assam.

The detailed Request for Proposal (RFP) for the proposed assignment may be obtained from the website <http://assamtenders.gov.in>. The participating bidders should have valid digital signature certificate (DSC) and have to register in the portal <http://assamtenders.gov.in>. The RFP should be submitted online in the portal <http://assamtenders.gov.in> on or before 28/07/2017 up to 3:00 PM. The RFP may also be seen in the website of ASRLMS i.e. [asrlms.assam.gov.in](http://asrlms.assam.gov.in).

The details are stated as under:-

RFP NO	ASRLMS/L&M/
RFP on	Hiring an Agency for Developing & Executing Value Chain for Hill Brooms and Maize under Assam State Rural Livelihood Mission.
Issued by	Assam State Rural Livelihoods Mission Society.
Issue Date	29/06/2017
Pre-Bid Meeting.	10/07/2017 at 11:00 AM.
Submission Last Date	28/07/2017 at 3:00 PM.
Date of Opening of Eligibility Criteria.	28/07/2017 at 4:00 PM

*Danda Rajan*  
State Mission Director.

ASRLMS.  
Sivanath Gogoi Path, Panjabari  
Guwahati-37.

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## **1. REQUEST FOR PROPOSAL TERMINOLOGY**

Throughout this document, the following definitions apply:

- a) "Applicant" means a party that submits, or intends to submit, a Proposal;
- b) "Work Order" means the written order resulting from this RFP issued by the Authority;
- c) "The Authority" means the Assam State Rural Livelihood Mission;
- d) "Must", or "mandatory" means a requirement that must be met in order for a Proposal to receive consideration;
- e) "Proposal" means a proposal submitted in response to this RFP;
- f) "RFP" means this Request for Proposal; and
- g) "Should" or "desirable" means a requirement having a significant degree of importance to the objectives of RFP.

## **2. EXECUTIVE SUMMARY**

### **Background:**

ASRLMS is an autonomous body formed under the Panchayat and Rural Development Department, Govt. of Assam and registered under Societies Registration Act, 1864. It has been designated by Govt. of Assam to implement the Deen Dayal Antodya Yojana-National Rural Livelihoods Mission as well as the Deen Dayal Upadhaya Grameen Kaushalaya Yojana (DDU-GKY) – a programme for skill development and livelihoods opportunities for rural in the state.

The Assam State Rural Livelihoods Mission Society has been set up with the aim to reduce poverty among rural BPL through building strong grassroots institution of the poor. ASRLMS has multi pronged approach to strengthen livelihoods of the rural poor by promoting women SHGs, providing skill development and placement for youth for wage based occupations in different private/business organizations and imparting self employment oriented training through banks.

Aajeevika – National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India, in June 2011. The Mission aims at creating efficient and effective institutional platforms of the rural poor, enabling them to increase household income through sustainable livelihoods enhancements and improved access to financial services.

Placement Linked Skill Development Training Program - Deen Dayal Upadhaya Grameen Kaushalaya Yojana (DDU-GKY) in Assam is also being implemented by the Assam State Rural Livelihoods Mission (ASRLMS) to cater to the challenges of creating a large number of Skill development and livelihood opportunities for the rural poor, occupational aspirations of the rural youth and to increase the income levels of rural poor in the State.

### **3. TERMS OF REFERENCE:-**

#### **A. Rationale:**

ASRLM has identified opportunity in value chain of hill-broom - processing of hill- broom grass into brooms and aggregation and marketing of Maize as part of Livelihoods Value Chain Intervention plan. The intervention has been planned in Rhongkhang and Lumbajong blocks of District Karbi Anglong. The intervention has been designed with focus on development of product based community institutions (Producer Groups), leveraging these institutions for collective aggregation/processing and development and promotion of Farmer Producer Companies. These interventions would provide a platform for the producers to engage into collective business activities to have better bargaining power, safeguard against price fluctuations, leverage access to market information and shorten the supply chain ensuring better price realization for farmers.

Under the intervention plan, ASRLMS plans to hire a Technical Support Agency to provide necessary techno-managerial support to facilitate successful implementation of the proposed interventions based on detailed value chain studies, capacity building of community as well as the ASRLMS cadre and staff and handholding support to Producer Companies on governance, management as well as business activities.

#### **B. Objective:**

The objective of assignment is to enhance the household income through collective collection & cultivation, aggregation, primary processing and collective marketing of Hill Brooms and Maize through establishment of community institutions like Producer's Group. Deliverables are as follows:

- ) TSA will assist in promotion of Producer Groups and Producers Company.
- ) Development of business plan and market linkage
- ) Capacity building of the Mission Staff and Producers Group and Community level.

#### **C. Scope of work:**

Some of the key activities, but not limited to, that are expected to be undertaken by the consultant are listed below.

- (1) The project will be implemented in Karbianglong District (Lumbajong and Rongkhang Block) with 2000 Households.
- (2) Identification and mobilization of 2000 SHG members.
- (3) Establish producers group at village/cluster /block level and one Producers Company at central level.
- (4) Preparation of implementation action plan.
- (5) Preparation of Business model for Producers Company and implementation of the same.
- (6) Institutional Building of Producers Group and Producers Company.
- (7) Marketing support in marketing, buyers identification market linkage etc.
- (8) Capacity building at different level of ASRLM staff, Community members, Producers Organisations office bearers.
- (9) Development of Package of practice (PoP) for production enhancement.
- (10) Development of modalities for distribution of CIF to individual farmer/ PGs/ SHGs
- (11) Identification of Primary Producers and formation of Producers Groups (PGs) as per the approved product line. Assist the PGs in identification of representatives/Directors in forming the Producer Company (PC).
- (12) Facilitating partnerships development/linkages/convergence with key knowledge/technology institutions, private firms, marketing institutions and traders.

For Further reference the Project Report for the same is in ANNEXURE VII.

#### **D) Duration of the Assignment:**

The duration of the assignment is initially for One (1) year, extendable to a maximum period of Three (3) Years. The Contract will be renewed on yearly basis depending upon satisfactory performance of Agency & requirement of ASRLMS.

#### **E) Project Support:-**

ASRLMS will provide funds, available necessary information, data , required for accomplishing the objective of the assignment. However, the professionals of the agency will have to place field operations staff for implementation of the project. ASRLMS would provide necessary liaison with BMMUs and DMMUs to facilitate the work smoothly.

#### **F) Reporting:-**

The State Mission Director or any other assigned official of ASRLMS will be responsible for the review and monitoring of the progress of the assignment regularly.

#### **4. Eligibility Criteria:**

- a) The Agency/Firm/Organization/Institution must be incorporated & registered in India, under the Indian Companies Act /Societies Registration Act/Trust Act/any other Act in India and should be in operations in India for minimum of 5 years.
- b) The Agency should have minimum average annual turnover of INR Seventy Five (75) Lakhs or above during the last financial years (2013-14, 2014-15, 2015-16).
- c) The Agency must have at least 3 prior project experience/ assignment in developing sustainable livelihood and value chain management during last 5 years, Out of which one (1) prior project experience/ assignment must be in value chain development.
- d) The Agency should not have been barred by ant PSU/Govt Dept in doing business with them. (Please submit declaration)

The Agency must upload scanned copies of the following documents in the website <https://assamtenders.gov.in> :-

- I. Name of the Firm/ Organization/ Institute.  
(Detail of the organization (including Name, Complete Address, Phone No, Contact Person, Email ID, Brief Description of the organization etc.)
- II. Copy of the registration certificate from Competent Authority.
- III. Copy of Copy of the GST Provisional Registration Certificate or Copy of Acknowledgement Reference No (ARN) received from Goods & Service Tax Network (GSTN). If the Agency/Firm/Organisation/Institute provides ARN, please specify the GSTIN.
- IV. Copy of Income Tax PAN Card No (Photocopy of the PAN Card to be submitted).
- V. Experience in developing sustainable livelihood and value chain management during last 3 years, Out of which one (1) prior project experience/ assignment must be in value chain development during the last five(5) years. (Work Order/Completion Certificate to be furnished.
- VI. Copy of the Annual Audit Report have minimum annual turnover of Rs 75.00 Lakhs or above for the last financial years (2013-14, 2014-15, 2015-16).

## 5. RFP Process:

- i) The Authority is the Work Order issuing authority as relates to this RFP.
- ii) This RFP is illustrative in nature and all narrations are intended to be used by the applicant as a preliminary background explanation. This RFP does not necessarily contain all relevant information and the Authority reserves the right to amend its requirements or the information contained in this document at any time during the RFP process.
- iii) The Authority offer no warranties in regard to the information contained in this RFP and shall not be liable for any loss or damage as relates to this RFP for any applicant, potential applicant or any other third party arising as a result of reliance on this RFP's information or any subsequent communication.
- iv) If the Authority decides to select an applicant for the services, at that time a detailed Work Order will be issued to the applicant selected. This Work Order will not be made available until the selection of a successful applicant.
- v) Neither the RFP document nor any other related document shall constitute a contract or agreement with Authority, except as where specifically referenced in ANNEXURE – 1.
- vi) The Authority reserves the right to disqualify any applicant who provides information which later proves to be incorrect, or which does not supply the information required by this RFP. The Authority will not be liable for any costs of any applicant participating in this RFP.
- viii) The submission of a response to this RFP by any applicant or potential applicant confirms the applicant or potential applicant's acceptance of all terms and conditions of this RFP.
- ix) Respondents to this RFP or their agents may not make any contact with any party employed or directly associated with the Authority as relates to this RFP. ***Any query/ requests for clarifications on the RFP by the Applicant should be sent via e-mail (only) to [asrlms.india@gmail.com](mailto:asrlms.india@gmail.com)***

## 7. INSTRUCTIONS TO APPLICANT.

### A. General Requirements

- i) The response to RFP is required to address all technical requirements contained within this RFP.
- ii) Only proposals submitted strictly in accordance with the RFP Documents or as may be required by the Authority will be considered as valid proposals by the Authority.
- iii) The RFP is not a Work Order. A separate Work Order will be made available only after selection of the preferred applicant.
- iv) All information supplied by the Authority in connection with this RFP shall be treated as confidential.

### B. Timetable

The RFP timetable is given below. The Authority retains the right to vary or discontinue the process or any part thereof at its absolute discretion. The summary of various activities with regard to this invitation of bids are listed in the table below:

<b>Activity</b>	<b>Date</b>
Issue of RFP Document	29/ 06 /2017
Pre-Bid Meeting.	10 /07 /2017 at 11:00 AM.
Deadline for Proposal submission	28/07/2017 (3.00 PM)

Opening of Eligibility Criteria	28/07/2017 (at 4:00 PM)
Opening of Technical Bid	To be Informed.
Opening of Financial Bid	To be Informed.

### **C. Period of Bid Validity**

The Bid Validity Period will be 90 days from the date of submission of Bids.

### **D. Submission of RFP**

1. The Bidder must complete and sign the Undertaking at **ANNEXURE - 1**
2. Only one original form of proposal signed by the authorised signatory is required by the Authority. No typed or pencil signatures will be accepted.
3. The proposal submitted must be without any overwriting, corrections, double typing, etc.
4. The Bidder will upload their proposals in three parts. The first part will contain documents relating to **Eligibility criteria** and the second part will contain the documents relating to **Technical Bid**. The third part will contain the **Financial Bid**.
5. The Bidder shall upload the following documents containing the Eligibility Criteria, Technical Proposal and Financial Proposal in <https://assamtenders.gov.in> on or before **3.00 PM** dated **28/07/2017**.

### **E. Preparation of RFP Document:**

#### **E.1 Eligibility Criteria:**

- a) The Agency/Firm/Organization/Institution must be incorporated & registered in India, under the Indian Companies Act /Societies Registration Act/Trust Act/any other Act in India and should be in operations in India for minimum of 5 years.
- b) The Agency should have minimum average annual turnover of INR Seventy Five (75) Lakhs or above during the last financial years (2013-14, 2014-15, 2015-16).
- c) The Agency must have at least 3 prior project experience/ assignment in developing sustainable livelihood and value chain management during last 5 years, Out of which one (1) prior project experience/ assignment must be in value chain development.
- d) The Agency should not have been barred by ant PSU/Govt Dept in doing business with them. (Please submit declaration)

#### **E.2 Technical Bid:**

The technical bid should contain :-

1. Concept & Approach of the proposed strategy for implementing the tasks to deliver the expected output(s).
2. Experience details of three (3) projects/assignment in developing sustainable livelihood and value chain management in last five years.
3. Work Plan {Outline the plan for the implementation of the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones, and tentative delivery dates of the reports. The proposed work plan should be consistent with the Concept & Approach of the proposed strategy, showing your understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents (including reports) to be delivered as final output(s) should be included.
4. Team Composition along with the CVs of Technical Professionals only required for this Assignment.

***(Format for Technical Bid is given at ANNEXURE II, III, IV,V)***



### **E.3 Financial Bid:**

The financial bid will be the Overall Cost for **Hiring an Agency for Developing & Executing Value Chain for Hill Brooms and Maize under Assam State Rural Livelihoods Mission.** as per the Scope of Work as laid down in the Terms of Reference.

1. Bidder should provide all prices as per the prescribed format under this Form. Bidder should not leave any field blank. In case the field is not applicable, Bidder must indicate "0" (Zero) in all such field.
2. All the prices are to be entered in Indian Rupees INR (%age values are not allowed).
3. It is mandatory to provide breakup of all Taxes, Duties and Levies wherever applicable and/or payable.
4. The final Financial Bid of the Bidder shall be inclusive of all Taxes, Duties and Levies including Service Tax, etc.
5. Authority shall take into account all Taxes, Duties & Levies for the purpose of Evaluation.

***(The Financial Bid Summary Form is given at ANNEXURE – V)***

### **8. EVALUATION OF PROPOSAL**

The evaluation would consist of following phases:

Phase I: Evaluation of Eligibility Criteria.

Phase II: Evaluation of Technical Bids.

Phase III: Evaluation of Financial Bids.

Phase IV: Combined Evaluation of Technical and Financial Bids.

#### **Phase I: Evaluation of Eligibility Criteria:**

In this part the Agency will be evaluated for the fulfillment of the conditions specified in the **Eligibility Criteria** .

#### **Phase II: Evaluation of Technical Bids:**

1. In this part the technical bid of only those agencies who have qualified the Phase I i.e. **Eligibility Criteria** will be evaluated.

2) The technical bid will be analyzed and evaluated on the parameters shown in the table below and the technical bid marks shall be assigned to each bid on the basis of following evaluation matrix:-

		Technical Score	Minimum Qualifying Score.
1	Concept & Approach	40	20
2	Prior project experience/ assignment in developing sustainable livelihood and value chain management	30	15
3	Work Plan	10	5
4	Team Composition with the CVs of Technical Professionals only required for this Assignment.	20	10
	Total Score	100	50

### 3. Analysis of technical bid

- i. In this part, the technical bid will be analyzed and evaluated and the technical bid marks (Stm) shall be assigned to each bid on the basis of following above evaluation matrix
- ii. Each competency group will have Minimum Qualification Score and only those Technical Bids receiving marks greater than or equal to cut-off marks in each competency group will be eligible for consideration in financial bids. If required, the Authority may seek specific clarifications from any or all Bidder(s) at this stage. The Authority shall determine the Bidder that qualify for the next phase after reviewing the clarifications provided by the Bidder(s). The bidder may be asked to make a presentation before the Purchase Committee to explain the points on the basis of which Technical bids will be evaluated.
- iii. Technical Bid Score: The Technical Bid Score 'St' of the Bidder shall be derived as under

$$St = (Stm / SH), \text{ where}$$

**St is the Technical Bid Score**

**Stm = Total technical bid marks of the bid under consideration.**

**SH = Highest total technical bid marks amongst all evaluated bids.**

1. The Authority reserves the right to modify the evaluation process at any time during the RFP process, without assigning any reason, whatsoever, and without any requirement of intimating the Bidder of any such change. At any time during the process of evaluation the Authority may seek specific clarifications from any or all Bidder.

#### **Phase III: Evaluation of Financial Bids:**

In this phase, the Financial Bids of the Bidder, who are technically qualified in Phase II, shall be considered. Formula to determine the scores for the Financial Bids shall be as follows

$$Sf = (FL / F),$$

**Where**

Sf is the Financial Score

FL is the value of lowest Commercial Bid

F is the price quoted in the bid under consideration.

#### **Phase IV: Combined Evaluation of Technical & Financial Bid**

- i. The Total score of the Bidder will be determined as under  
**Total Score (Ts) = (70 x St) + (30 x Sf)**
- ii. The Bid of the Bidder, who obtains the highest Ts value, will be rated as the best Bid. In the event of a tie, the bid with the highest technical score (St) will be rated as the best bid. Beyond that, Authority will decide the matter in its full discretion.
- iii. The Authority will award the Contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined as the best bid, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily. The Authority shall however not bind itself to accept the best bid or any bid and reserves the right to accept any bid, wholly or in part.

### **9. Right to Vary Scope of work at the time of Award:**

The Authority may at any time, by a written order given to the Bidder, make changes within the general scope of the Work. If any such change causes an increase or decrease in the cost of, or the time required for, the Bidder's performance of any part of the work, whether changed or not changed by the order, an equitable adjustment shall be made in the agreed Price or delivery schedule, or both, and the Work Order shall accordingly be amended. Any claims by the Bidder for adjustment under this Clause must be asserted within 15 days from the date of the Bidder's receipt of the Authority's changed order.

### **10. Right to accept any Bid and to reject any or all Bids:**

The Authority reserves the right to accept any bid, and to annul the RFP process and reject any or all bids at any time prior to award of work, without thereby incurring any liability to the affected Bidder or Bidder or any obligation to inform the affected Bidder or Bidder of the grounds for the Authority's action.

### **11. Notification of Award:**

Prior to the expiration of the period of bid validity, the Authority will notify the successful Bidder by e-mail or in writing, by registered letter that its bid has been accepted.

### **12. Issuing the Work Order:**

At the same time as the Authority notifies the successful Bidder that its bid has been accepted, the Authority will send the Work Order, incorporating its requirements including the conditions laid down in the RFP. Within 7 days of receipt of the Work Order, the successful Bidder shall sign and date the Work Order and return a copy to the Authority as a token of acceptance of the requirements laid down.

### **13. Performance Guarantee:**

The successful agency will execute a Performance Guarantee for **5 %** of the total value of the contract in the form of Account Payee Demand Draft or a Bank Guarantee from a Nationalized Commercial Bank in an acceptable form. The Performance Guarantee should remain valid for a period of 60 days beyond the date of completion of the project.

### **14. Confidentiality of the Document:**

This RFP is confidential and anything contained in this RFP shall not be disclosed in any manner, whatsoever.

### **15. Rejection Criteria:**

Besides other conditions and terms highlighted in the RFP document, bids may be rejected under following circumstances:

1. Bids that are not submitted through e-Tendering system.
2. Incomplete bids that do not quote for the complete Scope of Work as indicated in the bidding documents, addendum (if any) and any subsequent information given to the Bidder
3. Bids providing information that are found to be incorrect/ misleading at any stage / time during the RFP Process.
4. Bids in which the total lump sum price quoted by the Bidder is not inclusive of all taxes, duties, fees, levies, works contract tax and other charges.
5. Bids made through Telex /Telegraphic / Fax/E. Mail.
6. Bids which do not confirm unconditional validity of the bid for 90 days from the date of opening of bid.
7. Bids where prices are not firm during the entire duration of the contract and / or with any qualifications

8. Bids that do not confirm unconditional acceptance of full responsibility of executing the 'Scope of Work' of this RFP.
9. Bids in which the Bidder seeks to influence the Authority's bid evaluation, bid comparison or contract award decisions.

## **16. General**

i) Bidder shall not make any alteration / changes in the bid after the closing time and date. Unsolicited correspondences from Bidder will not be considered.

ii) If at any stage of RFP process or during the currency of the Work, any suppression / falsification of such information is brought to the knowledge of the Authority, the Authority shall have the right to reject the bid or cancel the Work Order, as the case may be, without any compensation to the Bidder.

iii) The Bidder shall deem to have complied with all clauses in the RFP under all the sections/chapters of the Bidding document, unless otherwise stated in the deviation statement. Evaluation will be carried out on the available information in the bid.

iv) Any other point, which may arise at the time of evaluation, will be decided by Authority for assessment of the bids.

### **v) Other important Information**

a) The ownership of the Web Portal and all its elements will at all times vest with Authority and the agency will have no proprietary or other rights or other rights in respect of the same

b) The Authority is not bound to accept the lowest or any RFP or to assign any reason for non-acceptance. The Authority reserves its right to accept the RFP either in full or in part. Conditional Bids will be rejected outright.

c) The Authority reserves the Right to place an order for the full or part quantities under any items of work under Scope of work

d) After issue of the Work Order the Performance Guarantee will be forfeited in case of undue delays in performance by the agency.

e) The Authority reserves the right to cancel the Work Order of any agency/ agencies in case of change in the procedures or unsatisfactory services.

f) In the event of any dispute, the tribunals and courts in Guwahati will have the exclusive jurisdiction in respect of all matters pertaining to the agreement between the Consultant/Organization/Institute and the Authority.

**UNDERTAKING**

TO: The State Mission Director  
Assam State Rural Livelihoods Mission Society  
Panjabari, Guwahati-37

I/We

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Of (insert business address)

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Hereby submit our proposal in response to the Request for Proposal (RFP) for *Hiring an Agency for Developing & Executing Value Chain for Hill Brooms and Maize under Assam State Rural Livelihoods Mission* and undertake to execute and complete the services as we will be reasonably required to be performed, in accordance with our proposal, the RFP requirements and the final work order to be issued by the Authority.

This RFP shall remain valid to be accepted by the Authority and shall not be withdrawn for a period of 90 days from date of submission of bids.

I/We understand that the Authority reserves the right to accept / reject any application and the selection is at their sole discretion.

Authorized Signature

Name in full:

Agency Name:

Title:

Date:

(On Company/Firm Letter Head)

## TECHNICAL BID

**REQUEST FOR Proposal for Hiring an Agency for Developing & Executing Value Chain for Hill Brooms and Maize under Assam State Rural Livelihoods Mission.**

### **Form A: Technical Bid - CONCEPT & APPROACH OF THE PROPOSED STRATEGY.**

**Concept and Approach** .{Please explain your understanding of the objectives of the assignment as outlined in the Terms of Reference (TORs), the concept & approach you would adopt for implementing the tasks to deliver the expected output(s), and the degree of detail of such output. Please do not repeat/copy the TORs in here.}

## **Annexure - III**

**Form B: Technical Bid - Three prior project experience/ assignment in developing sustainable livelihood and value chain management in last three years.**

**(Details on 3 prior project experience/ assignment in developing sustainable livelihood and value chain management.)**

## **Annexure - IV**

### **Form B: Technical Bid - WORK PLAN.**

Work Plan.{Outline the plan for the implementation of the main activities/tasks of the assignment, their content and duration, phasing and interrelations, milestones, and tentative delivery dates of the reports. The proposed work plan should be consistent with the Concept & Approach of the proposed strategy, showing your understanding of the TOR and ability to translate them into a feasible working plan. A list of the final documents (including reports) to be delivered as final output(s) should be included.



**Form C: Technical Bid**

**Team Composition for the assigned work along with the CVs of Technical Professionals only.**

(On Company/Firm Letter Head)

**FINANCIAL BID**

Sl No	Description	Value in INR
<b>1.</b>	<b>Professional Fees..1</b>	
	<b>Professional Fees..2</b>	
	<b>Professional Fees..3</b>	
	<b>Taxes</b>	
<b>A</b>	<b>Sub Total</b>	
	<b>Miscellaneous Expenses 1</b>	
	<b>Miscellaneous Expenses 2</b>	
	<b>Miscellaneous Expenses 3</b>	
	<b>Taxes if any on Miscellaneous Expenses.</b>	
<b>B</b>	<b>Sub Total</b>	
	<b>Grand Total (A + B)</b>	

*(The Bidders can add more rows, if required)***Authorised Signature:-****Name & Designation of Signatory:-****Address:-****Date:-****Seal of Organisation:-**

VALUE CHAIN DEVELOPMENT PROPOSAL  
FOR ASSAM



**Assam State Rural Livelihood Mission  
Panchayat and Rural Development Department ,  
Government of Assam**

Siva Nath Gogoi Path, Nabajyoti Nagar, Panjabari, Assam - 781037

## Abbreviations:

<b>Acronyms</b>	<b>Full Form</b>
ASRLM	Assam State Rural Livelihood Mission
CAGR	Compound Annual Growth Rate
GSDP	Gross State Domestic Product
HH	Households
NRLPS	National Rural Livelihood Promotion Society
FGD	Focus Group Discussion
SWOT analysis	Strength, Weakness, Opportunity and Threat analysis
TSA	Technical Support Agency
CEO	Chief Executive Officer
PG	Producer Group
VO	Village Organization
NOC	No Objection Certificate
EU	European Union
OBC	Other Backward Classes
ST	Scheduled Tribes
SHG	Self Help Group
SRLM	State Rural Livelihood Mission
WAMUL	West Assam Milk Producers Co-operative Union Limited

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## Executive Summary

Assam is primarily an agrarian state with over 70% of its population engaged directly or indirectly in agricultural and allied sectors. However, share of agriculture sector in Assam's GSDP has grown at a slow rate (CAGR 3%) in ten years (2004-2013) owing to low crop yields; which further can be attributed to issues such as (i) use of traditional farming practices and low or negligible agri-inputs, (ii) subsistence nature of cultivation, (iii) poor or inadequate agricultural infrastructure, (iv) little or no value addition in the agricultural commodities at producer level, (v) non-remunerative agri supply chains with distribution of the margins amongst a greater set of intermediaries.

Assam State Rural Livelihoods Mission Society (ASRLMS) was established as an independent and autonomous body by Panchayat & Rural Development Department, Government of Assam on 11th November, 2011. The mandate of ASRLMS is to enhance the social and economic empowerment of rural poor through implementation of program envisaged under National Rural Livelihood Mission (NRLM).

Over the years, ASRLM has been closely engaged with rural community on aspects of community mobilization, institution building, capacity building, financial inclusion, social development and knowledge management. In recent years, the focus has shifted to vulnerability reduction and livelihood enhancement of the beneficiaries through strengthening of existing value chain of commodities in both farm as well as off-farm sectors.

Under its continued efforts, ASRLM with support from Value Chain Support Cell (VCSC) undertook a preliminary level cluster analysis of districts with NRLPS intensive blocks to identify high potential farm as well as livestock opportunities. The aim was to identify the value chain intervention opportunities with potential of high returns and benefit to large community base. In order to do so, the team undertook extensive secondary and primary research, with Focus Group Discussions as well as meetings with community and various stakeholders (market intermediaries, research institutions, Agricultural Marketing Board and Government Line Departments) involved in the value chain of the potential crops.

Based on the study, ASRLM has identified opportunity in value chain of hill-broom - processing of hill-broom grass into brooms and aggregation and marketing of Maize as part of Livelihoods Value Chain Intervention plan. The intervention has been planned in Rhongkhang and Lumbajong blocks of District Karbi Anglong. The intervention has been designed with focus on development of product based community institutions (Producer Groups), leveraging these institutions for collective aggregation/processing and development and promotion of Farmer Producer Companies. These interventions would provide a platform for the producers to engage into collective business activities to have better bargaining power, safeguard against price fluctuations, leverage access to market information and shorten the supply chain ensuring better price realization for farmers.

Under the intervention plan, ASRLMS would also hire a Technical Support Agency to provide necessary techno-managerial support to facilitate successful implementation of the proposed interventions based on detailed value chain studies, capacity building of community as well as the ASRLMS cadre and staff and handholding support to Producer Companies on governance, management as well as business activities.

No. of Blocks Covered	No. of HHs Covered (per district)	Intervention	Budget (in Lakhs)	Expected Incremental Income per HH (INR)
1	1000	Collective Aggregation & Broom Manufacturing	318.6	21,683
2	1400	Collective Aggregation and		8,032

## Coverage area in Karbi Anglong

### A. BACKGROUND AND CONTEXT:

Assam is an agricultural economy with over 70% of the state's population engaged primarily as farmers, as agricultural labourers, or both for their livelihoods. State is one of the poorest in India with more than 35% population below poverty line, second highest in north-east region.

Assam produces both food and cash crops. The principal food crops produced are rice (paddy), maize (corn), pulses, potato, and wheat while the principal cash crops are tea, jute, oilseeds, sugarcane, cotton and tobacco.

The net cultivated area of the State is 28.11 lakh hectares (2011-12) which is about 87.4 percent of the total land available for agricultural cultivation in the State. The major issue of the agricultural sector of Assam is the low average land holding size ~ only 1.10 hectares with more than 85 % of the farmer families being small and marginal with average landholding of only 0.63 hectares.

According to the agro-climatic zone classification, which is based on rainfall pattern, terrain and soil characteristics, Assam has 6 major agro-climatic sub regions viz. Barak Valley Zone, Central Brahmaputra Valley Zone, Hills Temperate Zone, Lower Brahmaputra Valley Zone, North Bank Plain Zone and Upper Brahmaputra Valley Zone. These agro-climatic zones are critical for determination of agricultural land use and regional crop pattern.

**Table 1: Agro-climatic Zone wise districts<sup>1</sup>**

Zones	Districts		Zones	Districts		
Barak Valley Zone	Kaichar	Karimganj	Lower Brahmaputra Valley Zone	Barpeta	Dhubri	Nalbari
	Hailakandi			Bongaigaon	Goalpara	Kamrup
				Kokrajhar		
Central Brahmaputra Valley Zone	Morigaon		North Bank Plain Zone	Darrang	Sonitpur	
	Nagaon			Dhemaji	Lakhimpur	
Hill Temperate Zone	N C Hills		Upper Brahmaputra Valley Zone	Dibrugarh	Jorhat	Tinsukia
	Karbi Anglong			Golaghat	Sivasagar	

Blocks in green highlight the districts selected for value chain intervention in the state

<sup>1</sup><http://agropedia.iitk.ac.in/content/agro-climatic-zone-assam>

## **B. PREAMBLE AND OBJECTIVE OF THE PROJECT:**

The value chain intervention project proposal has been designed to enhance livelihood opportunities of beneficiaries of Assam State Rural Livelihood Mission with focus on collective aggregation, primary value addition and organized marketing of the produce. The intervention would also focus on development and strengthening of community institutions, building capacities of community along with ASRLMS cadre and officials on community mobilization, institution building, production as well as harvest and post-harvest management of identified commodities.

The objective of the submitted proposal is to ensure that producers receive greater price realization by leveraging community institutions for better price bargains, shorter supply chains with fewer market intermediaries and access to correct market information. The proposed intervention aims to build capacity of community as well as cadre to ensure sustainability of the interventions in the long run.

### **B.1 Product Cluster Identification:**

Selection of proposed interventions as well as intervention areas was done on basis of preliminary cluster analysis undertaken using data gathered through secondary desk research as well as primary interactions with community and various stakeholder involved in the value chain.

The key considerations during selection of intervention clusters was that the area should be traditional production cluster of identified commodities with conditions favourable for production of commodities, adequate marketable surplus, ease of implementation as well as active engagement of Assam State Rural Livelihood Mission with community.

### **Table: Geographical Distribution of Commodity Clusters:**





### C. Value chain interventions proposed:

The proposed interventions are in two commodities – Hill Broom and Maize. The interventions are proposed to be carried out through a Producers’ Company formed under the Companies Act, 2013. The primary commodity would be Hill Broom whereas Maize would be the secondary commodity to ensure that the Producer Company’s operations continue during the winter season so that the infrastructure and the working capital are not idle.

The proposed interventions are in two blocks – Rhonkhang and Lumbajong.

Block	Number of HHs	Commodities
Rhonkhang	1300	Hill Broom, Maize (~400 farmers are part of both)
Lumbajong	700	Maize
<b>Total</b>	<b>2000</b>	

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Hill Broom</b>	Harvesting											
	Raw and finished broom sales											
<b>Maize</b>									Harvest			
									Aggregation and marketing			

#### C.1 Value Chain Intervention: Processing of Hill-broom grass into brooms

##### C.1.1 The product profile: Demand and Supply Dynamics:



Hill-Broom grass is one of the most widely grown cash crop among farm families residing in hills of Karbi Anglong District, Assam. Hill-broom also commonly known as *Jharu* is cultivated and also collected from the wild for its inflorescence, which is used for manufacturing of brooms. Cultivation of broom grass as mixed crop is undertaken by Tiwa, Khasi and Karbi tribes residing in the hills. The tribal population also uses it as fuel and fodder during the lean period. The district of Karbi Anglong is the largest producer of brooms in the entire country.

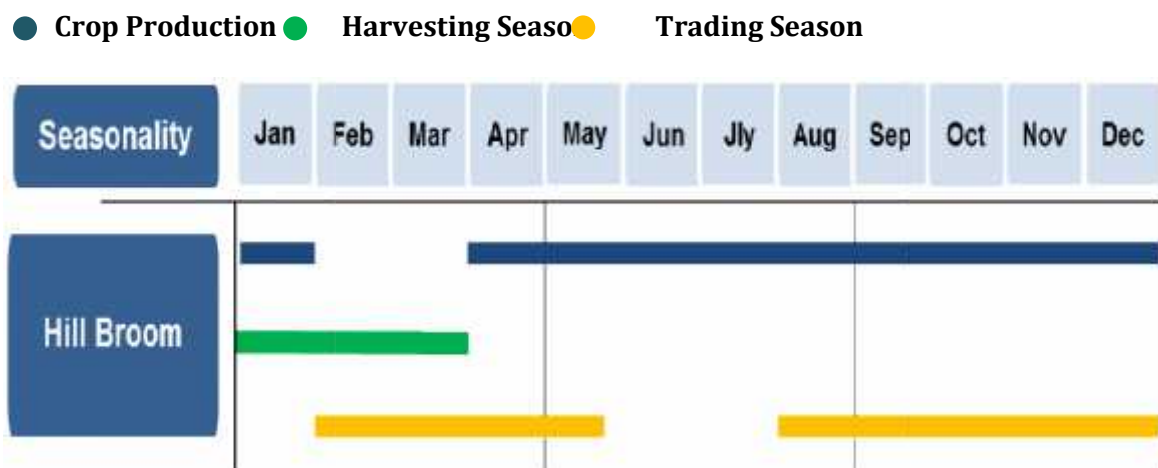
The selected district Karbi Anglong comes under Hills Temperate agro-climatic zone with conducive weather for growth hill-broom grass.

The volume of production of hill-broom grass of the ASRLM beneficiaries is high; beneficiaries from two clusters, Amlongsarpo and Kopili together produce around 40,000 quintals of hill-broom grass. Currently, producers sell raw broom grass to commission agents/local traders after drying it for 5-7 days after harvest. Due to lack of any value addition at local level, the producers are not able to get a higher price and the major proportion of price margin is spread between the market intermediaries (local traders, wholesalers and processors).

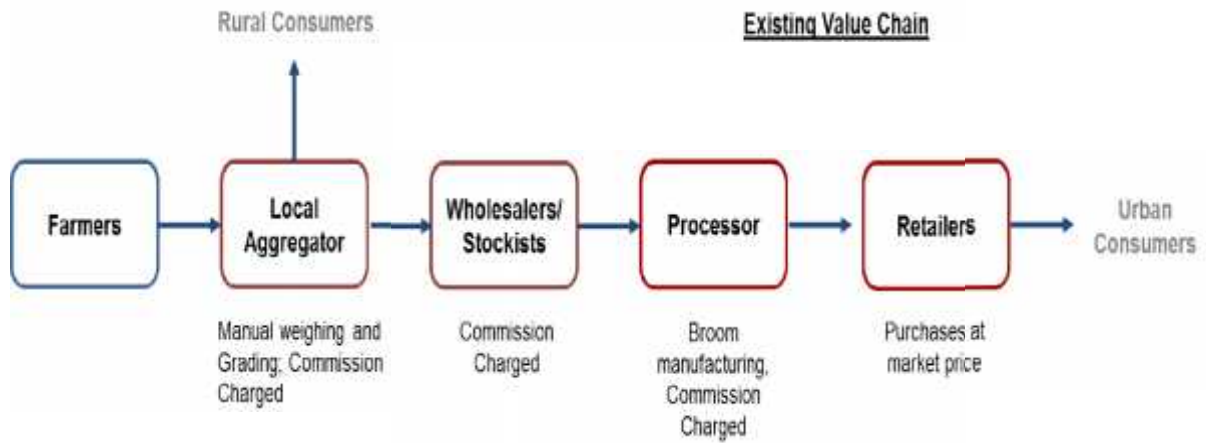
### C.1.2 Seasonality in commodity:

In the above-mentioned clusters of Karbi Anglong, cultivation of hill-broom grass is done in April – May. Harvesting of crop usually starts from January and continues till March. The trading season of processed broom continues all through the year except in the rainy months of June – July. In case of intervention area, the trading season of raw hill-broom is restricted to February and March as storage of raw broom grass is difficult and requires appropriate storage space with optimum humidity to safeguard against quality deterioration.

**Table: Seasonality of hill -broom**



### C.1.3 Present Value Chain of Hill-broom grass:



Currently, the producers sell their hill-broom grass to agents affiliated to the person who receives the tender for procurement of hill-broom in the region from Autonomous Council. No value addition is being done at the local level. Only part of the produce is held which is then sold in the local *haats* at premium prices. The agents act as aggregators, and sell the raw material to the traders/wholesalers in Guwahati. The traders then sell the bulk material to either the traders outside the state or to processors, who manufacture brooms out of raw hill-broom grass and further sell the finished brooms to the consumers.

This value chain because of the presence of a large number of market intermediaries, who add little value to the product but eat into the margin, is inefficient; the margin spread is majorly among the intermediaries resulting in low realization by the producers.

#### **C.1.4 Existing Product Flow:**

- ) After harvesting, producers generally dry hill-broom grass at their houses for 5-7 days.
- ) Loose, raw hill-broom grass is sold to agents/local traders (having tie-up with person who has been awarded tender for procurement of hill-broom by Autonomous Council).
- ) Rate of raw hill-broom grass has reduced over the years from INR 35-36 per kg to INR 27-28 in recent years.
- ) Households usually don't sell entire lot to commission agents – part is sold to them and part is kept for sale in local market at higher prices.
- ) Currently, no value addition of hill-broom grass is taking place at producer level.
- ) Broom grass procured by local traders finds its way to large traders/wholesalers in either Guwahati or Meghalaya, the two-major trade centres for broom hill in the country. All the costs, including taxes charged, transportation costs etc. are borne by large traders, who in turn, sale the bulk material to broom processors.
- ) Processors process hill-broom grass into brooms – clean, tie-up with plastic thread and fix plastic handles. The finished broom usually sells at a price of INR 55-60 in the local market.

#### **C.1.5 Stakeholder Profile:**

##### **Roles and responsibilities of various stakeholders in Hill-broom grass Value Chain:**

## Stakeholders

<p><b>Producer (SHG members)</b></p>	<ul style="list-style-type: none"> <li>• Cultivate hill broom on their farms</li> <li>• Dry harvested hill broom for 5-7 days to ensure optimum moisture and avoid fungal growth</li> <li>• Sell raw hill broom to commission agents affiliated to person obtaining tender from Autonomous Council for procurement of hill broom</li> <li>• No value addition is done at producer level</li> </ul>	<p><b>Commission Agents/ Local Agents</b></p>	<ul style="list-style-type: none"> <li>• Procure raw hill broom from producers</li> <li>• If raw material is not properly dried, they dry it for few days</li> <li>• Sell raw hill broom to large traders/wholesalers</li> <li>• Act as aggregators in the value chain</li> </ul>
<p><b>Wholesaler s/ Large Traders</b></p>	<ul style="list-style-type: none"> <li>• Procure raw hill broom from local traders in bulk</li> <li>• Sell the raw material to processors in bulk</li> <li>• Involved in intra-state and inter-state trade</li> </ul>	<p><b>Processors</b></p>	<ul style="list-style-type: none"> <li>• Procure raw hill broom from wholesalers and large traders</li> <li>• Process the raw hill broom to manufacture broom</li> <li>• Supply brooms across India</li> </ul>

### C.1.6 Value chain analysis of hill-broom

	<b>Production</b>	<b>Post-production</b>	<b>Local Value addition</b>	<b>Local Market</b>	<b>GP/Block Market</b>	<b>District/State level marketing</b>	<b>End users</b>
<b>Activity</b>	Cultivation of hill- broom is done on average land holding of 1.33 ha per household	Plucking of hill-broom grass is done; community only engaged in drying of harvested hill – broom	Raw hill-broom grass is sold; no local value addition is done at local level	Selling the raw hill-broom grass to agents approximately at INR 27-28/Kg	Part of hill-broom grass stocked by producers is sold in these markets	Agents sell the produce to wholesalers, who in turn sell the hill- broom grass to processors for manufacturing brooms. The brooms are then procured by retailers	Finished hill-broom is sold at INR 55-60 depending on quality of grass and finishing of broom (plastic thread wrap/plastic handle)
<b>Risks</b>	Less rainfall can affect the production volumes	Sudden and erratic rainfall during harvesting season can affect the quality of harvested grass;  If not properly dried, the broom grass can be affected by moulds and direct drying in sunlight might result in brittleness	Lower prices of raw hill-broom in respect to finished brooms; lack of market information; trade regulation in place due to NTFP tender process enforced by Autonomous Council				
<b>Gender</b>	Males and females both are involved	Males and females both are involved		Males and female both are involved	Generally, males are involved		
<b>Limitations</b>			Due to lack of value addition	Lack of financial strength to hold			

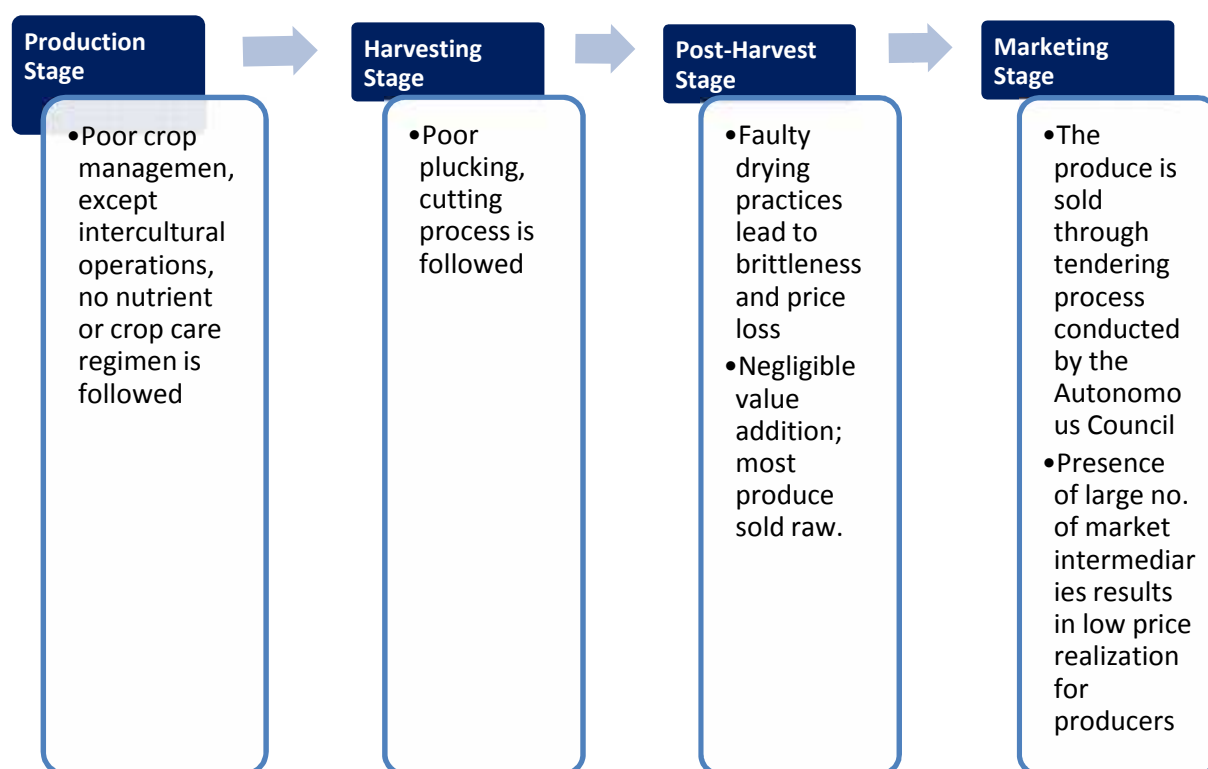
			services, raw hill-broom grass is sold which goes through high price fluctuations	the produce for off-season sale; bulk of material sold immediately and only small quantity kept for sale in local markets at higher prices			
<b>Best Practices</b>	Proper crop management practices for ensuring better production and quality	Drying the broom grass on a clean surface or in shade	Manufacturing of brooms after cleaning and processing of raw hill -broom grass				
<b>Gaps</b>	No crop management practices followed for hill - broom	Selecting matured grass; not drying the grass properly	Lack of know-how of processing hill-brooms				
<b>Possible Interventions</b>	Capacity building of community on hill-broom crop management	Demonstrate selection of matured broom grass, harvesting techniques and proper drying procedure	Processing of raw hill-broom into brooms and its marketing				

### C.1.7 SWOT analysis of Hill Broom value chain

Strength	Weakness
<ul style="list-style-type: none"> <li>)] Surplus availability of hill-broom grass</li> <li>)] Seasonal livelihood option for the SHG members</li> <li>)] Presence of community institutions (SHG) for easy community mobilization and implementation</li> </ul>	<ul style="list-style-type: none"> <li>)] Lack of reliable market information</li> <li>)] Lack of storage facilities</li> <li>)] Lack of price stabilization mechanism</li> </ul>
Opportunity	Threat
<ul style="list-style-type: none"> <li>)] Opportunity of value addition after appropriate capacity building of the community.</li> <li>)] Good market opportunities exist</li> </ul>	<ul style="list-style-type: none"> <li>)] Uncertainty and fluctuations in market prices of raw hill-broom</li> <li>)] Existing trade channels and intermediaries</li> <li>)] Existing tendering process of NTFP products by Autonomous Council</li> </ul>

### C.1.8 Approach to intervention:

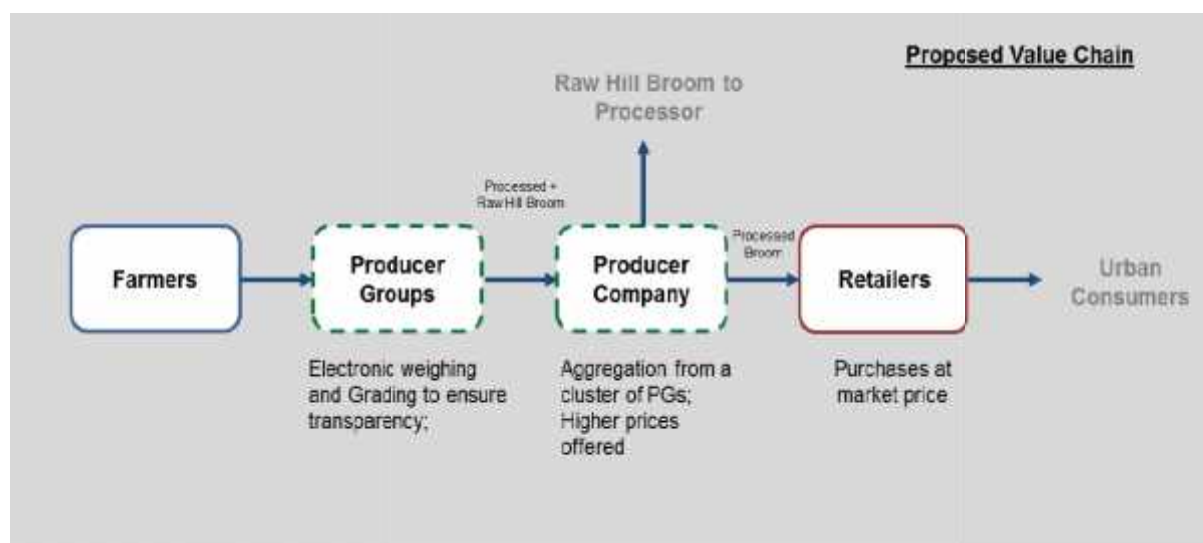
The value chain intervention proposed for hill-broom would focus on addressing the critical gaps identified in harvest and primary processing practices of the community through Focus Group Discussions (FGDs).







### C.1.9 Proposed Value Chain



In the proposed value chain, the emphasis is on collective aggregation and creation of value addition at local level. The Producer Company will be engaged in collective aggregation of the raw material and processing of hill-broom grass into brooms. The Producer Company will then provision for the marketing of hill broom grass as well as processed brooms in local, district as well as state markets. Appropriate market linkages will be created with wholesalers and processors with support of the Technical Support Agency (TSA). The TSA along with ASRLM Livelihoods team would also support Producer Company in determination of prices of the product.

Collective aggregation, value addition and access to accurate market information would ensure that the producers get the maximum share of the price spread.

Existing tendering process for NTFP products by Autonomous Council along with existing trade networks will pose a threat to the proposed value chain.

### C.1.10 Intervention Plan:

**Intervention Area:** The proposed value chain intervention on processing of hill-broom grass into brooms is planned with the ASRLM beneficiary households in two clusters, namely Amlongsarpo and Kopili clusters of Rhongkhang block of District Karbi Anglong in Assam.

**Household Coverage:** Under the proposed intervention, there is potential to cover 1000 households in two clusters, Amlongsarpo and Kopili of Block Rhongkhang of District Karbi Anglong.

### Details of the value chain intervention:

- 1) Development of Producer Organizations:** The proposed FPC will be registered under the Companies Act 2013 and will be based at the district level and primarily concentrate on development of processing clusters for broom hill. The proposed federation of producers aims to streamline supply chain through collective aggregation,

ensure optimum volumes and more bargaining power for profitable business operations. The operational arm of the Producers' company would be the commodity wise producers' groups which would work towards mobilization and aggregation.

Producers' Company along with driving the business operations would also work closely with ASRLM staff towards capacity building of producers on crop management, harvest and post-harvest technology and marketing aspects of produce. Producer Company would be headed by a professional CEO, who will drive the marketing operations, 2 persons for managing the commodity operations and 1 commercial person for procurement, accounting and MIS. Necessary support would be provided by the Technical Support Agency (TSA) and guidance from Livelihoods team of ASRLM.

**2) Capacity building of stakeholders involved:** Capacity building would be a critical part of the proposed intervention for ensuring high quality produce, availability of surplus raw material and processing into brooms. Besides, the community would be also trained to manage the operations of the Producer Groups.

- i. **Basic Training for Producer Group (PG) members:** Training programs would be conducted for capacity building of the Producer Groups on following topics:
  - a. PG management
  - b. Maintenance of books of records
  - c. Business operations
- ii. **Pre-harvest management of hill-broom crop:** Training programs would be conducted for members with support from local TSA on package of practices to ensure good production and high quality raw material.
- iii. **Harvest and post-harvest management training on hill-broom crop:** Training programs would be conducted for members to train them on following aspects of the hill-broom processing:
  - a. Best harvest practices – plucking techniques and time of harvest
  - b. Demonstrating proper drying techniques to ensure quality of produce
  - c. Cleaning and processing of hill-broom into finished product broom.
- iv. **Processing of raw hill-broom grass into broom:** Training programs would be conducted for members to train them on processing and value addition of hill-broom grass into broom.

**3) Procurement of hill-broom grass:** Collective aggregation of hill broom grass will be done at village level by the Producer Company (PC) utilizing local Community Resource Persons (CRPs) and leveraging infrastructure of Producer Group. In business plan, it is proposed to procure hill broom grass at INR 31/Kg from member producers, which is higher than current season's market price of INR 27-28/kg. However, as the market is dynamic, the final procurement prices would be determined by Producer Company with support and guidance from TSA and ASRLM staff.

The CRPs will procure the material using electronic weighing machine to ensure transparent procurement. After each procurement transaction, member will be issued material receipt from PC. A typical procurement receipt will have beneficiary bank details and details of material procured; a counter receipt will be maintained at concerned PG office. PG office will be entrusted with maintaining books of records in accordance with daily or weekly transactions and timely payments to the members of the PC. In order to promote transparent, cashless transactions, payment to members will be directly credited into their bank accounts. The material collectively aggregated would be transported to a godown of the Producer Company located at a centralized location.

CRPs would supervise entire procurement drive, ensuring end-to-end transportation of material from source location to a centralized godown leveraging labourers hired by the PC. Separate vehicles will be used during procurement period in each cluster. On material arrival at godown, godown in-charge will weigh material, make entry in his books of records, and issue a receipt challan to either driver or CRP. The material will be then stored in the godown till it is sold.

- 4) Processing of hill-broom grass into broom:** Processing of hill broom grass into broom will be done at processing centre cum godown of the Producer Company under the supervision of the processing centre in-charge. Local TSA will be responsible for ensuring capacity building of labourers and PC staff on processing methods. Processing centre in-charge will be responsible for ensuring adherence to best processing practices, maintaining inventory records, production data, and labour attendance logs. The equipment and raw material required for manufacturing brooms will be purchased by the producer company from its working capital provisioned under the project. Currently, under the business plan, it is planned to process around 20% of the hill-broom grass into brooms and sale 80% as raw grass in the first year and gradually increase the percentage as the capacity of the PC and the market linkage improves is developed

Technical Support Agency to be engaged by ASRLM would provide requisite technical support and capacity building training for manufacturing of brooms. Value addition at local level will ensure greater share for producer in the broom price as they would be selling the raw materials directly to the Producer Company instead of market intermediaries and would have benefit of accurate market price information.

- 5) Marketing of the product:** The Producer Company would work towards creation of forward market linkages i.e. tie-ups with wholesalers or processors of hill-broom in Karbi Anglong, Nagaon and Guwahati as well as corporate bulk buyers. The marketing team can also explore possible tie-up with organized retail players like Big Bazaar, who have store in Guwahati. The aim will be to target shorter value chains for better price realization. They will also be supported by Technical Support Agency in identifying and formalizing the appropriate market linkages. The Producer Company can also exhibit its product in various exhibitions organized at National, State and District Level for promotion of their products.
- 6) Pricing of the product:** Pricing of the product would be determined based on prevailing market prices for raw material as well as the final product. In business plan, the sale price of INR 45 per broom and INR 42/kg of raw hill-broom grass is considered based on the prevailing market prices of broom and raw grass. The aim will be to ensure profitable business operations while safeguarding the interests of member producers. The marketing team at Producer Company with support and guidance from TSA and ASRLM staff would determine the final prices.
- 7) Technology development and transfer:** The technology used for manufacturing of brooms is very simple and can be readily adopted by the Producer Company after proper capacity building training. The capacity building would also include demonstrations of broom making process. Under the intervention, it's also planned to conduct an exposure visit of Community Resource Persons (CRPs) to broom manufacturing centres operational under other SRLMs.

- 8) Financing Enterprise:** The business would follow institutional model for aggregation and processing of hill-broom. The collective aggregation and processing would be done at village level. The Producer Company would provide techno-managerial and working capital support to the PGs. As part of the support, each PG will be provided with start-up kit as well as the management cost to ensure smooth business operations. The funds for initial capacity building and working capital requirement will be funded by the project for an initial period of two years, after which all the expenses would be borne by the PGs and PCs from profits generated through business operations.
- 9) Risk Mitigation:** The major risk to broom business is the tender process followed by Autonomous Council because of NTFP nature of hill-broom. Other risks for the enterprise could be bad weather which can be minimized by having proper storage space for the final product.

### Stakeholders involved in the project management of proposed intervention

Stakeholder	Role of Stakeholder in Hill-broom processing
Producers	Supply hill-broom as raw material to Producer Company
	Value addition and processing into brooms after adequate capacity building
Producer Group	Act as federation of hill-broom producers
	Play role of aggregator of raw material
	Maintenance of records of raw materials supplied by various member producers and ensuring timely receipt of payment
Producer Company	Ensure adequate capacity building of producers as well as producer group on producer group management, crop management, processing of hill-broom
	Supervise the processing and quality management of brooms
	Aggregation and storage of finished brooms as well as raw hill-broom grass
	Creating suitable market linkages for finished broom as well as raw hill-broom grass
	Maintenance of proper books of records of various business transactions
	Ensuring timely reimbursement of payments to Producers against the finished brooms as well as raw materials
Community Resource Persons	Handhold the producers in crop management, processing and quality management
	Procurement of hill broom grass on behalf of Producer Company
Technical Support Agency	Capacity building of the producers, producer group, producer company as well as the ASRLM staff and cadre
	Building market linkages for the commodities
ASRLMS	Hand holding the producer company in business operations as well as decisions
	Supporting producer company in creation of appropriate market linkages
	Overall supervision and guidance to stakeholders involved in the intervention

### C.1.11 Business Model for Hill-Broom Grass Value Chain Intervention

Business model for the hill-broom grass processing and collection of hill-broom grass is planned under the supervision of Producer Company. The details are mentioned below:

#### Description of the proposed business

- i. **Intervention Area:** The proposed value chain intervention on processing of raw hill-broom into brooms is planned in two clusters, namely Amlongsarpo and Kopili clusters of Rhongkhang block of District Karbi Anglong in Assam.
- ii. **Household Coverage:** Under the proposed intervention, there is potential to cover 1000 households (already beneficiaries of ASRLM) in two clusters, Amlongsarpo and Kopili of Block Rhongkhang of District Karbi Anglong.
- iii. **Raw Material Procurement Plan:** There is potential to source raw materials from 1000 households engaged in cultivation of hill-broom in two clusters, namely Amlongsarpo and Kopili of Rhongkhang blocks of District Karbi Anglong. In business plan, the procurement price of hill-broom grass has been considered at INR 31/kg.
- iv. **Product Mix:** The targeted product mix is 20:80, with around 20% of the raw hill-broom grass procured by Producer Company being processed into brooms and 80% being sold as raw grass to wholesalers and processors.
- v. **Target Markets/Customers and Prices:** The unit can potentially target markets such as Diphu, Nagaon and Guwahati etc. Brooms being an essential item have high demand and command good prices. With the right kind of marketing/promotion strategy and appropriate choice of marketing channels, the unit can ensure fast turnover of its finished broom. It is envisaged that the unit will primarily use following marketing channels for marketing the finished product:
  - ) Bulk sale to wholesalers and distributors for sale of finished broom
  - ) Organizational tie ups with the Municipal Corporations may also be explored
  - ) Sell to organized retail players like Big Bazaar and also unorganized retail players/supermarkets
  - ) Sell raw hill-broom directly to large processors

The sale price of broom is considered to be INR 45/broom based on feedback from retailers in the market place.

## **C.2 Value Chain Intervention in Maize**

Out of the 80 SHGs who are involved in Hill Broom Production, it was observed that 40 SHGs are also involved in cultivation of Maize. As Maize is produced during Kharif in Karbi Anglong and the neighbouring blocks it has been selected as the secondary commodity for the Producers' Company. Around 70 SHGs from Karbi Anglong and 70 SHGs from Lumbajong can be brought under the fold of Maize interventions.

### **Rationale**

The key factors that support selection of Maize are the seasonality, marketable surplus and the overlap of the households producing hill broom. The Maize from Karbi Anglong is considered to be of superior quality. The average landholding of farmers involved in Maize cultivation is 5-6 bigha (under jhum/hill) and as the consumption of Maize is low in Assam, the marketable surplus is around 80%. This translates to a marketable surplus of about 8-10 quintals per household. The farmers mostly sell it in local markets/to commission agents/traders. The prevailing farm-gate price of INR 800 - 1200/Quintal has been observed during discussions with the households. The Mandi prices have been observed to be in the range of 1250 to 1400. Through aggregation and first level of grading it is possible to bring about Rs 200-250 increase in price realisation per Quintal.

Maize has a variety of end markets –

1. Animal Feed – Poultry, Cattle, Fish feed
2. Consumption – Maize flour, Corn,
3. Industrial applications

To begin with mandis, institutional buyers and selling on the NCDEX platform may be explored for the market linkage. As the capability of the PC increases, it may move into value added products for Maize. The Producer Company would more specifically explore market linkage with WAMUL and nearby poultries for feed purpose

The operations will be detailed during the DPR preparation stage.

## **D. Institutional and Operational Framework**

The value chain interventions have been planned keeping in view the existing gaps in the commodity value chains with the potential to benefit the maximum existing beneficiaries of ASRLM. Although, specific commodity wise interventions have been planned but the basic institutional structure proposed for the implementation of the various interventions is similar.

The proposed project interventions aim to strengthen the community institutions while working on the exiting gaps in the specific value chains.

To drive the business operations and provide support to the Producer Groups, the Producer Companies at the district level are proposed to be formed. The Producer companies will facilitate their member Producer Groups through the capacity building, knowledge management, development of human resources as well as obtaining necessary financial support for implementation of the interventions. Besides this, the Producer Companies would be at the forefront to drive the business operations, creation of requisite market linkages, arranging for

the working capital and market information. The producers' groups will be based on the commodities. The producers' groups will facilitate in further mobilization and aggregation. The producers' company would ensure that the revenues, costs, profit sharing and the patronage is maintained separately for each commodity.

The infrastructure in terms of moisture meters, storage space and the working capital would be utilized for both hill broom and maize. The producers' company may add additional products to its portfolio based on the opportunities in the region.

The operational model that has been envisaged currently is given below, which may be changed after detailed assessment in the DPR.

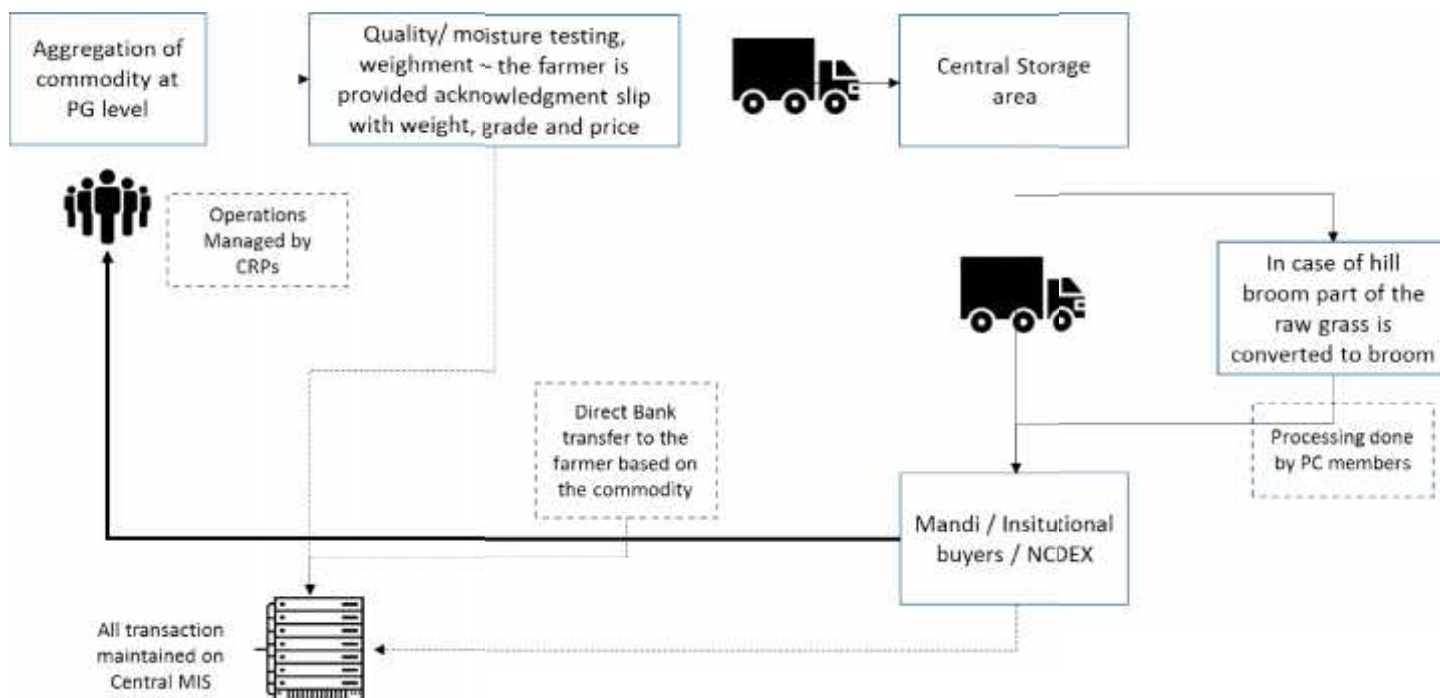
During the course of the intervention, it is also proposed to create pool of Community Resource Persons (CRPs) who would be trained along with the community to mobilize and better engage the community and support the Producer Groups in day to day functioning. The role of CRPs will be critical to ensure necessary support from the community for the success and sustainability of the value chain interventions.

ASRLM would also hire a Technical Support Agency (TSA) to provide necessary capacity building support to Producer Groups, Producer Companies as well as the ASRLM staff to drive the value chain interventions. TSA would also provide handholding support to the Producer Companies for development of better business acumen, market linkages and close working relation with the Producer Groups. Under the guidance of ASRLM livelihood team and TSA and with necessary support from the Producer Company, the Producer Groups can in the future, work towards expanding their product portfolio.

**Fig 1: Organizational Structure**



**Fig 2: Operational Structure**



*\*At the PG level, weighing scale and a moisture metre would be provided*

*\*\*NCDEX in the case of maize*

### Total Budget on the proposed value chain interventions:

- i. **Project Inception Cost:** The cost would involve complete profiling of proposed beneficiaries of the value chain interventions and strategic inception workshops to be conducted at state, and block level. The cost head would also include the cost of detailed value chain studies to be conducted for identified commodities as well as documentation of the technical protocols.
- ii. **Institution building:** Institution building component would include expenses borne during the value chain interventions towards community mobilization, community institution building (producer groups and producer companies) and towards the management of these community institutions.
- iii. **Capacity Building:** Capacity building component would include the expenses borne towards the capacity building training programs planned in the proposed interventions for members of Producer Groups and, staff of Producer Company. The cost head would also include cost of development of training module (both, print as well as audio-visual) and training of Community Resource Persons (CRPs).
- iv. **Community Investment Support:** Community Investment support will include the infrastructure support as well as working capital support to the Producer Company. It will also include the costs to be borne by the Producer Company towards marketing and promotion of its product through stalls at exhibitions.
- v. **Knowledge Management Cost:** This component will include cost borne towards documentation and dissemination of the identified best practices related to the identified value chains.



- vi. **Administrative cost:** This cost head would cover monitoring and evaluation as well as the cost of hiring the CEO for producer companies and encompass any other logistics needs for operations i.e. conveyance, stationary and communication etc.