

**RESEARCH ARTICLE :**

Impact and assessment of agro processing based self-help groups in Nagpur district of Maharashtra

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SUMMARY : Microfinance is effective tool for poverty alleviation. Microfinance is defined as “Provision of thrift, credit and other financial services and product of very small amount to poor in rural, semi-urban and urban areas for enabling them to raise their income level and improve living standards”. The objectives of study were as follows, to study characteristics of self-help groups, to study economics of selected activities of self-help groups, to study employment generated through self-help groups and to study marketing system of different self-help groups. The study covers the Nagpur districts in the Maharashtra state. Three tahsils viz., Nagpur, Katol, Mouda out of the thirteen tahsils in district on the basis of more development of SHG movement in that tahsils compared to other. The study concluded, average age group of about 53.34 per cent SHGs were from 3-5 years. Majority (66.34 %) of SHGs were of same castes. SHGs with 5 to 10 number of members were in majority (56.66 %). Non-insured members were more (58.91 %) than Insured members (41.09 %) in selected SHGs. Majority of SHG members were literate (about 75.35 %) Recovery performance of Bank loan (54.85 %) from SHG found better than Internal lending (53.77 %), but in overall both were not satisfactory. Pickle (C-B ratio 1:1.77) and Papad (C-B ratio 1:1.50) selfhelp groups showed highest cost benefit ratio. Consumer (direct channel) had highest ‘producers’ share in consumer’s rupee’ in all selected activities.

KEY WORDS :Self-help groups,
Impact, Assessment

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BACKGROUND AND OBJECTIVES

Microfinance is effective tool for poverty alleviation. Microfinance is defined as “Provision of thrift, credit and other financial services and product of very small amount to poor in rural, semi-urban and urban areas for enabling them to raise their income level and improve living standards”. Self-help groups bring them up of poverty line by encouraging them to form thrift, savings and economic

activity groups. Thereby rural areas also come in major flow of India’s economic growth with the urban area. It will help to reduce urban-rural, rich-poor gap in the country.

Objectives of study:

The objectives of present study are as follows:

- To study characteristics of self-help groups
- To study economics of selected

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activities of self-help groups.

- To study employment generated through self-help groups.
- To study marketing system of different self-help groups.

RESOURCES AND METHODS

The study covers the Nagpur districts in the Maharashtra state. Three tahsils *viz.*, Nagpur, Katol, Mouda out of the thirteen tahsils in district on the basis of more development of SHG movement in that tahsils compared to other. Total thirty SHGs were selected from district. Ten SHGs were selected from each selected tahsil. Simple tabular analysis was used to worked out the cost and economics of Papad and pickle making. Employment generation, price spread, producer's share in consumers' rupee in different marketing channels of them were selected in the same manner.

OBSERVATIONS AND ANALYSIS

It was observed from the Table 1 that out of the

total 30 SHGs selected 14 SHGs were of 1-2 years of age *i.e.* (46.66 %) while 16 SHGs were of 3-5 years of Age (53.34 %). About 19 SHGs out of 30 (66.34 %) were of same caste and 11 SHGs of different caste. SHGs with 5-10 members were 18 out of 30 (56.66 %) and SHGs with more than 10 members were 12 (43.34 %).

It can be seen from Table 2 that average groups saving was about Rs. 20745.76/-. Average saving per member per month found to be Rs. 46/- while average saving per group per month was Rs.723.37/-. Average bank loan to 30 groups calculated to be Rs.1,31,466.67 / - and recovery is about Rs. 72,118.33/-(54.85 %). Average internal lending was Rs 1,46,965.85/- and repayment of it was about Rs. 79033.75 (53.77 %).

It can be observed from Table 4 that, total receipts from the sale of pickle was Rs. 153600. Total cost was Rs. 86517.2 and net income was Rs. 67082.8. Cost-benefit ratio of the pickle making observed was 1:1.77.

Producers' share in consumer's rupee was observed highest in Channel I (SHG-Consumer) which was about 95.25 per cent to the consumers' price and least in Channel II (SHG-Vendor-Consumer) *i.e.* 83.77 per cent.

Table 1 : General characteristics of self-help groups

Sr. No.	Particulars	Number of groups / Number of members	Percentage (%)
1.	Age of groups		
	1-2 years	14	46.66
	3-5 years	16	53.34
	Total	30	100
2.	Cast of groups		
	Same caste	19	66.34
	Various caste	11	33.66
	Total	30	100
3.	Total number of members		
	5-10	18	56.66
	10 and above	12	43.34
	Total	30	100
4.	Insurance details		
	Insured		
	Life	46	15.75
	Non life	52	17.80
	Both	22	7.53
	Total insured	120	41.09
	Not insured	172	58.91
	Total	292	100
5.	Education status		
	Illiterate	72	24.65
	Upto secondary	151	51.72
	Above secondary	69	23.63
	Total	292	100

Table 2 : Economic characteristics of self-help groups

Sr. No.	Particulars	Number of groups	Total	Average
1.	Savings of group	30	604373.07	20745.76
2.	Average saving per member per month	30	1380	46
3.	Average saving per group per month	30	21699	723.37
4.	Total bank loan	30	3944000.1	131466.67 (100)
5.	Recovery	30	2163550	72118.33 (54.85 % to above)
6.	Internal lending	30	4408976.40	146965.85 (100)
7.	Recovery (internal lending)	30	2371012.5	79033.75 (53.77 % to above)

Table 3 : Economics of pickle making by self-help groups

Sr. No.	Particulars	Amount (Rs.)	Percentage (%)
1.	Rent of building @ Rs.250/ month for 4 month	1000	40.48
2.	Rent of sale outlet @ Rs.200/ month	800	32.38
3.	Impalements		
	Cutter	120	4.85
	Can	500	20.24
	Other	50	2.02
	Total	2470	100
A.	Variable cost		
1.	Raw material cost		
	Mango 960 kg @ Rs.10/kg	9600	11.09
	Oil 240 kg @ Rs.65/ kg	15600	18.03
	Chilli powder 24 kg @ Rs.80/ kg	1200	1.38
	Turmeric powder 9.2 kg @ Rs.80/ kg	1440	1.66
	Salt 24kg @ Rs.5/ kg	1920	2.21
	Other (Hing, methi, Sodium Benzoate etc.)	6000	6.93
	Total Raw material	35760	41.33
2.	Labour charges (408 mandays) @ Rs.60/-	24480	28.29
3.	Packing charges @ Rs.12/ kg	11520	13.31
4.	Transport	2400	2.77
5.	Miscellaneous	1200	1.38
6.	Interest on working capital @ 12%	9043.2	10.45
	Total variable cost	84403.2	97.55
B.	Fixed cost		
1.	Rental value of land and sale outlet for 40 kg (Rs.1800 for 960 kg)	1800	2.08
2.	Depreciation of Implements of @ 10%	67	0.07
3.	Interest on fixed cost @ 10 %	247	0.28
	Total fixed cost	2114	2.44
	Total cost (A + B)	86517.2	100

It was seen from the Table 6 that, total cost required for marketing of 3600 kg of Papad was Rs. 335702, variable cost was Rs. 332640 (99.08 %) and fixed cost was Rs. 3062 (0.91 %). Raw material cost had highest share in variable cost i. e. Rs. 201600 (60.05 %) followed by Labour cost i.e. Rs. 54000 (16.08 %). Where in fixed cost, rental value of building and sale outlet has major share i.e. Rs.2700 (0.80 %).

It can be observed from Table 7 that, total receipts

from the sale of Papad was Rs. 5,04,000, total cost was Rs. 3,35,702 and net income was Rs. 1,68,298 from the sale of 3600 kg of Papad in six months. Cost-benefit ratio of the Papad making observed was 1:1.50.

It was observed from the Table 8 that, in the marketing of Papad for one kg, Net price received by the SHG was Rs. 134.34, Rs. 123.20, Rs.124.34 and Rs. 137.50 per kg for channel I, II, IV and VI, respectively. Total marketing cost was highest in channel IV i.e. Rs.

Table 4 : Receipts from the 960kg of pickle

Sr. No.	Particulars	Amount (Rs.)
1.	Total receipt (Sale of Pickle @ Rs. 160 per kg for 960 kg)	153600
2.	Total cost	86517.2
3.	Net Income	67082.8
4.	Cost - Benefit ratio	1:1.77

Table 5 : Producers' share in consumers' rupee in different marketing channel of pickle

Sr. No.	Functionary / Channel	Channel I (%)	Channel II (%)	Channel IV (%)	Channel VI (%)
1.	SHGs selling price	160 (100)	150.8 (83.77)	151.2 (87.90)	180 (100)
2.	Cost incurred by members in SHG	7.60 (4.75)	-	0.52 (0.30)	20.2 (11.22)
3.	Producer's net price (Producer's share in consumer's rupee)	152.4 (95.25)	150.8 (83.77)	150.68 (87.60)	159.8 (88.77)
4.	Cost incurred by Vendor	-	8.6 (4.77)	-	-
5.	Margin of Vendor	-	20.6 (11.44)	-	-
6.	Cost of MAVIM sell outlet	-	-	20.8 (12.09)	-
7.	Margin of MAVIM sell outlet	-	-	0	-
8.	Marketing cost	7.6 (4.75)	8.6 (4.77)	21.32 (12.39)	20.2 (11.22)
9.	Marketing margin	0.00	20.00	0.00	0.00
10.	Consumer's price	160 (100)	180 (100)	172 (100)	180 (100)

Table 6 : Economics of Papad making by self-help groups

Sr. No.	Particulars	Amount (Rs.)	Percentage (%)
1.	Rent of building (Rs.250 x 6 months)	1500	47.46
2.	Rent of sale outlet (Rs.200x 6 month)	1200	37.97
3.	Implements (<i>Polpat-Latne</i> , Pots etc.)	460	14.55
	Total	3160	100
A.	Variable cost		
1.	Raw material cost		
	Dal @ Rs. 48 /kg	172800	51.47
	Oil 3 kg	25200	7.50
	Other (soda, salt etc.)	3600	1.07
	Total	201600	60.05
2.	Labour (7.5 mandays for 30 kg @ Rs.60)	54000	16.08
3.	Packing charges @ Rs.1.5 / kg	5400	1.60
4.	Transportation (Rs.5/ kg)	18000	5.36
5.	Miscellaneous (Rs.5/ kg)	18000	5.36
6.	Interest on working capital @ 12%	35640	10.61
	Total variable cost	332640	99.08
B.	Fixed cost		
1.	Rental value of land and sale outlet (Rs.2700 for 3600 kg)	2700	0.80
2.	Depreciation of Implements of Rs.460 @ 10%	46.0	0.01
3.	Interest on fixed cost @ 10 %	316.0	0.09
	Total fixed cost	3062	0.91
	Total cost (A + B)	335702	100

Table 7 : Receipts from the 3600 kg of Papad

Sr. No.	Particulars	Amount (Rs.)
1.	Papad @ Rs. 150 per kg for 3600 kg	5,04,000
2.	Total cost	3,35,702
3.	Net Income	1,68,298
4.	Cost Benefit ratio	1:1.50

Table 8 : Producer's share in consumer's rupee in different marketing channel of Papad

Sr. No.	Functionary / Channel	Channel I (%)	Channel II (%)	Channel IV (%)	Channel VI (%)
1.	Selling price of producer members in SHG	140 (100)	123.2 (88.0)	126.32 (90.22)	150 (100)
2.	Cost incurred by members in SHG	7.66 (5.4)	-	1.66 (1.18)	12.5 (8.33)
3.	Producers net price	134.34 (95.95)	123.20 (88.0)	124.34 (88.81)	137.5 (91.66)
4.	Cost incurred by Vendor	-	6.33 (4.22)	-	-
5.	Margin of Vendor	-	10.47 (6.98)	-	-
6.	Cost of MAVIM sell outlet	-	-	14 (10)	-
7.	Margin of MAVIM sell outlet	-	-	-	-
8.	Marketing cost	7.66 (5.47)	6.33 (4.22)	15.66 (11.18)	12.5 (8.33)
9.	Marketing margin	-	-	-	-
10.	Consumers price	140 (100)	150 (100)	140 (100)	150 (100)

15.66 per kg and lowest in channel I *i.e.* Rs. 7.66. Producers' share in consumer's rupee was observed highest in channel I (SHG-Consumer) that was about 95.95 per cent to the consumers' price and least in channel II (SHG-Vendor-Consumer) *i.e.* 88 per cent. The findings of the study are more or less consonance with the findings of Athwala *et al.* (2001); Binayak Rath (2005) and Chauhan (2007).

Conclusion :

- Average age group of about 53.34 per cent SHGs were from 3-5 years.
- Majority (66.63 %) of SHGs were of same castes.
- SHGs with 5 to 10 Number of members were in majority (56.66 %)
- Non-insured members were more (58.91 %) than insured members (41.09 %) in selected SHGs.
- Majority of SHG members were literate (about 75.35 %)
- Recovery performance of Bank loan (54.85 %) from SHG was found better than internal lending (53.77 %), but in overall both are not satisfactory.

- Pickle (C-B ratio 1:1.77) and Papad (C-B ratio 1:1.50) of self-help groups showed highest cost benefit ratio.

- SHG-consumer (direct channel) had highest 'producers' share in consumer's rupee' in all selected activities.

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