

P6 MODEL

(Production, Productivity, Procurement, Processing, Preservation, Promotion)

Introduction

The economy of every country is constituted of three major viz Primary (Agriculture, Forest and Sea), Secondary (Industries) and Tertiary (Service) sectors. The Primary sector is the most significant one which involves in the process of changing natural resources into primary products. Most products from this sector provide raw materials for other sectors. The share of primary sector has decreased from the past four decades – from 50% in 1970 to 29% in 1995. Currently it is further reduced to 25%. Major businesses in this sector include agriculture, agribusiness, fishing, forestry, all mining and quarrying industries. This sector also engages mostly the rural poor like dalits, tribals, marginal farmers and fish workers, thus serving the livelihood of a large majority of people in the country. The food security of the country is very much depend on the prosperity of the primary sector. Therefore, protecting and promoting the primary sector by updating and diversifying the skills of people engaged in primary sector is of utmost importance. This will in turn take care of the food security of the country and the livelihood security of the large majority of the rural poor. If we are able to achieve this we will be by default empowering the poor, marginalized and unorganized sector.

FVTRS proposes to engage in the primary sector with a model that establishes connectivity between the producer and the consumer. The model will focus on involving the primary producers and their family at different level i.e. engaged in the production of primary products, increasing their productivity, procurement of the primary products by the producer and the processor, processing of the primary products by the producers family, preservation both by the primary producer and the processor and promotion of the processed products. This is intended to make the primary producer's family to have access to the profit generated during the supply chain till it reaches the final consumer. In the process employment is generated within the families of the primary producers.

The model is called P6 model as it focuses on Six P majorly involved in the cycle or chain. The model is basically creating a value supply chain across the primary sector. This model will do analysis of the activities performed within primary sector at present which generate value. Value generating activities are defined as the core activities which drive a sector. The model has six primary value chain activities. The goal of each primary activity is to create value which exceeds the cost of providing the product or service, thus generating a profit margin.

Primary P6 Model Activities



Primary Production: This is the stage where the basic communities generate a product from their existing practices. With the passage of time it has been noted that there has been a major shift in the mind-set of people. Today most of the people involved in the

primary sector are losing their focus, moving away from the sector and joining the unskilled casual labour folk as this sector has become less remunerative and more tedious work for them. However, agriculture remains the basic sector for human existence. It also forms the basis for the growth and sustainability of the secondary and tertiary sector. Therefore, there is an increased need to focus on this sector so that this sector is protected and promoted.

So at this stage the plan is to promote the scope of operation. Some of the approaches which can be applied in agriculture production are utilising the unutilised land, promoting dry cultivation, organising irrigation, reaching other services like electricity, updating the required knowledge and skill, organising the production process more systematically.

All the approaches proposed above require specific skill. The intervention of FVTRS is to update the existing knowledge/skills of the primary producer in the proposed areas as well as develop specific knowledge and skill to organise the production process more systematically. This will not only help the primary producer to become skilled and enterprising in various areas of agriculture production, but also increase the area engaged for production so that there is quantum increase in the total primary sector production.

Productivity: Good input is the pre requisite for having better productivity. However, in the current Indian scenario people in primary sector still use out-dated methods. An insight into the sector shows a grim picture of water-scarcity, fragile environments, drought, and land degradation due to soil erosion by wind and water, poor rainwater use efficiency (35-45%), high population pressure, poverty, low investments in water use efficiency measures, poor infrastructure and inappropriate policies. This in turn contributes to the causes of low productivity.

To raise yields sustainably some technics like organic cultivation, integrated and sustainable farming, multiple cropping, use of fertilizer, use of HYV seeds, expansion of irrigation facilities, plant protection, scientific method of cultivation, animal husbandry etc. can play an important role. These methods are simple but require specific knowledge/skills and farmers need to develop these skills. This model proposes to train people in the above specific skills to develop and upgrade their knowledge and expertise. Farmers alone can plan and develop their land for better productivity. The primary producer should also shift focus on food crops to ensure self-reliance in the food requirements of their family. Collective planning and cultivation according to the NET planning of the village are some other strategies could be promoted towards this.

As a result, productivity of the primary sector will be increased, use of organic products by the community will be increased, land becomes regenerative and finally seed and food sovereignty is also ensured.

Procurement: Procurement price of a commodity refers to the price at which the processor procures the commodity from primary producers for maintaining the buffer stock. Procurement prices are fixed generally at a level, which is somewhat higher than the level of minimum support prices but lower than the prevailing market prices. The procurement prices are lower in relation to the actual market prices and as

such farmers and traders are not willing to sell their stocks voluntarily but have no better options with them.

Primary producer first collect or harvest all the products. Then they grade it according to the quality and then they are priced according to the grade of their produce. For a primary producer, production of the food crops is as important as the sale of the product. They will gain an element of bargaining power only when producers have better skill and knowledge of storage of product.

To support better procurement of primary products, the establishment of community storages, grain banks, warehouse facilities as well as required capacity is needed. If the primary producers acquire expertise in the above processes they can ensure better pricing for the products. This model aims to provide the producers with skills in updated technology in collection and harvesting.

Processing: This is something which the primary producers don't involve. They sell out their products as raw products and the profit generated thereafter, which is normally high, is not accessed by them. Hence, it is important that the primary producers are engaged in processing their products, ensuring quality and meeting demands in the supply chain.

This model will facilitate producers to be skilled in the use of the implements, tools and machines for production as well as with improved mechanisms for better quality management of the products. Through this the primary products will get value addition and also generate more employment for those who are otherwise underemployed or unemployed in the families of the primary producer.

Preservation: Preservation itself is a value addition to the primary produce. This is an area in which the processing team of the reference community can get engaged. Improvement and use of the age-old practices and development of new technologies through action research efforts will become obligatory to prevent huge post-harvest losses of grain and horticultural crops with a view of meeting the demand for food. Evolution of food processing technologies along with Farm to Fork concept has now given the opportunity to provide added value to the core product, which can be used as a significant differentiator

The community members will be skilled in the preservation methods and mechanism without affecting the quality of the products at the primary level and after processing. Thus we will be able to supply the products to the consumer as and when it is required with quality at the right time and able to get competent prices.

Promotion: This is the most crucial phase in this model. All that is planned above is mostly done by the primary producer and is within their control, as this is a bilateral engagement with the promoters and the reference community. In this case primary producer needs to make the larger community aware about their products and make them to buy and use the products at the price that is fixed by them.

The agricultural marketing channels are distinguished from each other on the basis of market functionaries involved in carrying the produce from the farmers to the ultimate

consumers. Presently, marketing system is fragmented and is uncoordinated, with inadequate infrastructure and supply chains involving high wastage and losses. Augmentation of agricultural productivity needs a concurrent development of post-harvest support mechanism including normal and cold storage facilities, packaging facilities, agro processing industries, crop sterilization and sanitation facilities and an effective marketing reach to global markets.

Processing adds value to the agricultural, horticultural, livestock and fisheries products by using various techniques. Hence, packing, branding, advertising, customer satisfaction and sales outlets are important components in processing. The reference community can be trained in packing, branding, developing promotional materials, advertising and marketing.

Conclusion

The system for providing food and other agricultural products to the final consumer has changed drastically over the last few years. The P6 model once characterised by autonomy and independence will rapidly evolve into an interconnected system comprising varied and complex relationships between the different actors in the primary sector.

According to the three process dimensions viz performance, costs and quality, the focus is more on appropriate supply and marketing of diverse process variants. Life skill training and EDP training becomes very important part in the entire process. The P6 model will be able to generate additional employment. The primary producer family will be able to get the maximum profit generated out of his primary product.