

Concept Note

Project Sampada – SHG-Based Pickle Manufacturing Cluster in Bihta Industrial Area

Submitted by:

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1. Background

Bihar is one of India's prominent horticultural states, producing a diverse range of fruits and vegetables such as mango, lemon, chilli, garlic, and other crops. Despite this significant agricultural output, a substantial portion of the produce is sold in raw form, leading to minimal value addition. Consequently, farmers often receive low prices for their produce, limiting income generation and economic growth in rural areas.

In Bihar, women's Self-Help Groups (SHGs) have historically engaged in small-scale food processing activities, particularly in traditional pickle-making using age-old recipes and methods. These skills have been passed down through generations, reflecting a strong local knowledge base. However, most of these SHG activities remain informal and small-scale, with limited access to organized markets. This restricts their potential for higher earnings, market recognition, and sustainable enterprise growth.

Project Sampada aims to bridge this gap by organizing SHGs into a structured pickle production cluster. By introducing standardized production practices, improving operational efficiency, and creating market linkages, the project seeks to enhance the economic opportunities of women SHG members while developing a sustainable rural enterprise model.

2. Institutional Context

The success of Project Sampada will be supported by leveraging existing institutional ecosystems, including:

- **National Bank for Agriculture and Rural Development (NABARD):** Provides financial support and technical guidance to strengthen producer organisations.
- **JEEViKA:** Bihar's state rural livelihood mission, with experience in mobilizing SHGs and building their capacities.
- **Bihar Industrial Area Development Authority (BIADA):** Provides infrastructure and industrial sheds suitable for small-scale processing clusters.

The initiative aligns closely with NABARD's **Producer Organisation Development Fund (PODF)**, which aims to promote sustainable producer organisations by offering support for

capacity building, market linkages, and business development activities. Through this framework, Project Sampada ensures economic sustainability for SHG-led enterprises while creating measurable rural development outcomes.

3. Project Rationale

Pickle production has been chosen as the focus of this initiative due to several compelling reasons:

1. **Existing Traditional Skill:** Many rural women in Bihar already possess experience in preparing pickles using traditional recipes. This reduces the need for intensive skill development and allows rapid scaling of production.
2. **Low Entry Barrier:** Pickle manufacturing requires modest capital investment and basic infrastructure, making it suitable for gradual expansion.
3. **High Market Demand:** Pickles enjoy a steady demand across rural and urban markets in India and have potential for export in global markets.
4. **Value Addition:** Converting fruits and vegetables into pickles significantly increases their market value, allowing farmers and SHG members to earn better returns.
5. **Women-Led Enterprise:** Pickle production is inherently compatible with SHG-based, women-led initiatives, promoting gender empowerment and inclusive growth.

By focusing on these strengths, Project Sampada seeks to convert informal household production into a structured and profitable enterprise model.

4. Project Location

The pilot phase will be implemented in the **Bihta Industrial Area, Patna District, Bihar**, selected for its strategic advantages:

- Proximity to **Patna urban markets**, facilitating distribution and sales.
- Access to **transportation infrastructure**, including road and rail connectivity.
- Availability of **industrial sheds and shared facilities**, suitable for cluster-based processing.
- Potential for creating a **centralized processing hub**, where multiple SHGs can collaborate efficiently.

A common processing cluster within the industrial area will enable SHGs to scale production, maintain quality standards, and reduce operational costs through shared resources.

5. Project Objectives

The primary objectives of Project Sampada are as follows:

- **Organize SHGs into a structured enterprise system:** Transform informal, small-scale production into organized, collective operations.
- **Promote value addition:** Enhance the economic potential of locally available fruits and vegetables through processing.
- **Facilitate the formation of Producer Organisations (POs):** Build institutional structures that allow aggregation, financial access, and market development.
- **Enhance income opportunities for rural women:** Create sustainable livelihoods through collective production and sales.
- **Develop market linkages:** Establish reliable channels for the sale of SHG-produced processed foods to retail, institutional, and export markets.

Through these objectives, the project aims to create a replicable model for women-led agro-processing clusters.

6. Proposed Project Model

Project Sampada will adopt a **cluster-based production model** to optimize collaboration, resource utilization, and quality assurance. The model includes the following components:

6.1 SHG Mobilization

JJKAS will identify and mobilize SHGs engaged in pickle preparation in the **Bihta–Maner region**. Outreach will focus on women who already possess basic skills in traditional food processing and are interested in formalizing and scaling their operations.

6.2 Capacity Building

Training and skill development will be provided in the following areas:

- **Hygienic food processing techniques** to ensure product safety and quality.
- **Standardized recipes** to maintain consistency across batches.
- **Packaging and labeling** to meet market requirements.
- **Basic enterprise management** including bookkeeping, costing, and marketing strategies.

6.3 Common Processing Facility

A centralized processing facility will be established, equipped with:

- Cutting, washing, and mixing units
- Storage facilities
- Packaging equipment

This facility will allow multiple SHGs to collaborate, share resources, and maintain consistent production quality.

6.4 Producer Organisation Development

A **Producer Organisation (PO)** will be formed or strengthened under the project. A PO allows small producers to:

- Aggregate production for larger orders
- Access financial support and credit facilities
- Improve bargaining power with buyers and suppliers
- Develop reliable market linkages for processed products

By fostering collective ownership, the project strengthens the economic sustainability and institutional resilience of participating SHGs.

7. Role of JJKAS

JJKAS will serve as the **promoting and facilitating organisation** for Project Sampada. Its responsibilities will include:

- Identification and mobilization of SHGs
- Organizing capacity-building and training programs
- Facilitating the formation and development of the Producer Organisation
- Coordination with NABARD, BIADA, JEEViKA, and other institutional partners
- Market linkage development and buyer outreach
- Monitoring project implementation and ensuring timely progress

JJKAS's experience in rural livelihoods and SHG development will be critical for successful project execution.

8. Expected Outcomes

The project is expected to generate significant outcomes across economic, institutional, and social dimensions:

8.1 Economic Outcomes

- Increased income opportunities for women SHG members
- Development of rural food processing enterprises
- Higher value realization for agricultural produce

8.2 Institutional Outcomes

- Formation of producer-led enterprise structures
- Strengthening women-led economic institutions

8.3 Social Outcomes

- Women's economic empowerment
- Generation of local employment opportunities

By achieving these outcomes, Project Sampada will contribute to sustainable rural development and gender-inclusive growth.

9. Potential Product Lines

During the pilot phase, the project will focus on **traditional pickle varieties** such as:

- Mango pickle
- Lemon pickle
- Mixed vegetable pickle
- Chilli pickle
- Garlic pickle

Future diversification may include:

- Banana chips
- Spice mixes
- Other processed food products suitable for SHG production

These products can cater to both domestic markets and potential export opportunities, expanding revenue streams for SHG members.

10. Alignment with NABARD PODF

Project Sampada aligns directly with the objectives of NABARD's **Producer Organisation Development Fund (PODF)**, which supports:

- Capacity building for producer organisations
- Development of market linkages
- Value addition and processing activities
- Financial sustainability of small producers

Funding for the project may come from multiple sources including NABARD, CSR initiatives, and government schemes. Organizing SHGs into a structured enterprise model will create a sustainable rural business ecosystem with measurable impact.

11. Way Forward

The immediate next steps include:

- Identification of SHGs in the Bihta–Maner region
- Engagement with institutional partners for technical and financial support
- Preparation of a detailed project proposal under the PODF framework
- Establishment of pilot processing activities
- Formation and capacity enhancement of the Producer Organisation

These steps will lay the foundation for a fully operational SHG-based pickle manufacturing cluster.

12. Conclusion

Project Sampada envisions transforming traditional household-level food processing into a **structured, market-linked enterprise system**. By organizing women SHGs into a centralized pickle manufacturing cluster in Bihta Industrial Area, the initiative aims to promote economic empowerment, enhance rural incomes, and develop sustainable producer organisations.

Leveraging institutional support from NABARD, BIADA, and JEEViKA, the project seeks to create a **replicable model for rural agro-processing clusters** that combines traditional skills with modern enterprise practices. Through this initiative, Project Sampada will contribute to women-led economic development, rural employment generation, and overall socio-economic growth in Bihar.