Samriddha aur Saksham Chhindwara
An Analysis of Agriculture and Skill Development
Located in the picturesque Satpura Range, the Chhindwara constituency comprises of the entire area of the Chhindwara district in Madhya Pradesh. Part of Jabalpur division of the state, it is spread across seven assembly constituencies of Junnardeo, Amarwara, Churai, Saunsar, Chhindwara, Parasia and Pandhurna. It covers a total area of 11,815 sq. kilometres, which consists of 12 tehsils, 24 towns and 1,965 villages. It is bordered by Betul and Hoshangabad district in the west and Seoni district in the East. The district has a sizeable tribal population and is ranked 13th in the entire state.

**Population Distribution in the Constituency (as per Census 2011 data)*

- **General Population**: 52%
- **SC Population**: 37%
- **ST Population**: 11%

**Demographic Profile of the Constituency**

The constituency has a high percentage of population residing in rural areas i.e. 70.6 %, with 29.4% of the population residing in urban areas. The ST population in the area comprises of 37% of the total population.

- **Total Population**: 20,90,922
- **SC Population**: 2,32,244
- **ST Population**: 7,69,778

The literacy rate of the population is 72.2%, which is higher than the literacy rate of the State i.e. 70.6 %. The male literacy rate is 79.1% while the female literacy rate is 63%. The male – female literacy gap comes out to be 16.1%, which is lower than that of the state at 20.5%.

*Note: All data points are pertaining to the entire Chhindwara constituency
Chhindwara – The Socio-Economic Potential

Chhindwara is well connected to other parts of the state and nearby economic centres such as Indore, Bhopal and Nagpur through the SH 19, SH26 and NH69.

Chhindwara district has large deposits of coal and manganese minerals. The Western Coalfields Limited (WCL) has its office in Junnardeo.

The district has 67.9% Individual Household Latrine (IHHL) coverage under Swachh Bharat Mission.

The constituency has famous temples such as the Hinglang Mata Mandir and Shashti Mata Mandi, which attract thousands of tourists and devotees every year.

Chhindwara is part of agriculture economic zones (AEZs) for lentils and orange production. India’s very first spice park has been set up in Boregaon, Chhindwara.

The tourist attractions in the constituency include Devgarh Fort, Tamia Hills, Patalkot, the Tribal Museum in Chhindwara, Lilahi and Anhoni water falls.

There are five rivers which flow through this district namely Kanhan, Pench, Jam, Kulbehra, Shakkar and Doodh. Out of these five rivers, Kanhan and Pench are major tributaries of the Godavari River.
Chhindwara – An Economic Profile

- The (Gross District Domestic Produce) GDDP of Chhindwara is Rs. 7,40,433 (in lakhs). The district ranks seventh in terms of GDDP out of all districts of Madhya Pradesh.*
- The per capita income is Rs. 54,745, which is the sixth highest out of all the districts in the region.*
- Agriculture and Allied activities are the highest contributor to the GDDP.

Industrial Units in Chhindwara

- **Hindustan Uniliver Limited**: A large scale unit of HUL is situated in the Lahgadua village of Chhindwara Tehsil. This unit produces consumer goods such as soaps and detergents.
- **Raymond Group**: The Raymond plant in Chhindwara is a manufacturing facility located 57 kms. away from Nagpur. It is the single largest integrated worsted suiting unit in the world.
- **Textile Park**: The CLC textile park is located at Pandhurna Park, which is spread across 60 acres of land.

Handloom Clusters

There are four handloom clusters located at Saunsar, Lodhikhada, Mohagaon and Chhindwara within the constituency. They primarily produce cotton and silk material as well as sarees and shawls.

All the clusters are fully completed. The total amount released for these clusters was Rs. 146.54 lakhs between the years of 2006-07 and 2015-16.

*Economic Survey Madhya Pradesh 2013-14, ** NSDC reports
The region’s economy is primarily agro-based. The primary sector contributes 47% to the district’s GDDP. Within the primary sector, agriculture and allied activities constitutes 71.1% of the total share. Agriculture in Chhindwara not only contributes significantly to the GDDP but also to the economy of MP. Chhindwara contributes 4.8% to the agriculture GDP of the state, which is the highest contribution by any district. The total area under cultivation is 40.33% of the total area of the district.*

### Major Agriculture and Horticulture Crops Grown

<table>
<thead>
<tr>
<th>Type</th>
<th>Crops</th>
<th>Production (in Tonnes)</th>
<th>Rank in State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Crops*</td>
<td>Tur Dal</td>
<td>42,000</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Maize</td>
<td>2,05,700 (MT)</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Gram</td>
<td>151,000</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Soyabean</td>
<td>288600 (MT)</td>
<td></td>
</tr>
<tr>
<td>Fruits **</td>
<td>Citrus Fruits</td>
<td>466,200</td>
<td>1</td>
</tr>
<tr>
<td>Vegetables</td>
<td>Tomato</td>
<td>547,750</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Cauliflower</td>
<td>110,310</td>
<td>2</td>
</tr>
</tbody>
</table>

### Worker participation in Agriculture

- **Total Number of workers**: 957984
- **Main workers (Agriculture)**: 470680
- **Marginal Workers (Agriculture)**: 235099

**Worker participation Rate: 45.81%**

- Percentage of workers, who are directly involved in agriculture including main and marginal workers: **73.6**%

**The largest percentage of land holdings belong to the category of <=1 ha i.e. 38%**

**Land holdings below 2 ha. form 70 % of the type of landholdings.**

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*Madhya Pradesh Agriculture Economic Review 2016,** Horticultural statistics at a Glance , 2015, ***NABARD District Profile*
The total amount which was allocated to the district in the Annual Plan Outlay for the year 2015-16 under the subhead of Agriculture and Horticulture was Rs. 637.87 lakhs.

The outlay for Agriculture has consistently increased over the last 3 financial years i.e. FY 14, FY 15 and FY 16.

From 2013-14 to 2014-15, the increase was almost 55%. For the next year, the allocated amount increased by 45%.

The total number of branches which cater to the region from all these banks is 154.

Out of the 4,43,361 HHs in Chhindwara, 1,56,847 (36%) of them have a single bank account and 1,07,984 households (24%) have 2 bank accounts.

There are a total of 1,78,530 households (40%) in the district, which do not have a single bank account.

*NABARD, District Profile, **samagra.gov.in (Samagra Data portal uses the term 'family' instead of households)
Pradhan Mantri Fasal Bima Yojana (PMFBY)

PMFBY is a crop insurance scheme, which provides wide scale insurance coverage for all farmers including share croppers and tenants. It has replaced the other two insurance scheme for farmers, the National Agriculture Insurance Scheme (NAIS) and Modified National Insurance Agriculture Scheme (MNAIS). Under this scheme, the farmer has to pay a minimal premium amount (depending on crop) for coverage against a detailed list of risks including post harvest losses. The scheme is compulsory for loanee farmers and optional for non-loanee farmers.

Crops included under PMFBY with premium rate

<table>
<thead>
<tr>
<th>Crops</th>
<th>Premium Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kharif crops (all food grains and oil seeds)</td>
<td>2% of the Sum Insured to be paid by farmer</td>
</tr>
<tr>
<td>Rabi crops (all food grains and oil seeds)</td>
<td>1.5% of the Sum Insured to be paid by farmer</td>
</tr>
<tr>
<td>Annual Commercial and Horticultural Crops</td>
<td>5% of the Sum Insured to be paid by farmer</td>
</tr>
</tbody>
</table>

Nodal Agency: National Crop Insurance Programme (NCIP)

Implementing agency at State level: State Level Coordination Committee on Crop Insurance (SLCCCI)

List of crops included under PMFBY in Madhya Pradesh for Kharif Season 2016

Paddy, Soybean, Bajra, Maize, Groundnut, Jowar, Arhar, Til, Cotton, Wheat, gram, Mustard, Moong

Stages and risks included for Coverage

- Prevented Sowing/Planting Risk: which include deficit rainfall or adverse seasonal conditions.
- Standing Crop: Risks include droughts, dry spells, landslides, flood, hurricane among other natural calamities.
- Post-Harvest Losses: Coverage for those crops which are spread in the field post harvest for a max. of 2 weeks.
- Localized Calamities: Risks include hailstorm, landslide and inundation in the notified areas.
One of the longest running credit delivery schemes for farmers is the Kisan Credit Card Scheme, which is operational within the entire country. Under this scheme farmers can avail credit from any commercial, cooperative and regional rural banks. All farmers including small farmers, marginal farmers, share croppers, SHGs, oral lessees and tenant farmers are eligible under this scheme. The credit limit available under this scheme is dependent on the number of crops which are raised by the farmer.

Following activities are eligible under KCC Scheme

1. Short term credit requirement for cultivation of crops
2. Post harvest expenses
3. Produce Marketing loan
4. Consumption requirements of farmer household
5. Working capital for allied activities such as dairy animals and inland fishery

Interest Rate and Facilities provided under KCC

**Interest Rate**: The interest rate which is charged by the bank is not regulated by RBI and governed by the base rate fixed by the banks. For loans under Rs. 3 lakhs, the government does provide interest subvention at 7% per annum.

**Facilities Available under KCC**

- ATM/ Debit Cards
- One time Documentation to avail the loan under the scheme
- No restriction available under debit or credit (number of withdrawals)
- Cheque facility

**Total Amount outstanding in M.P. under KCC as on Nov. 2015**

1) Commercial Banks: Rs. 2,10,324.10 crore
2) Cooperative Banks: Rs. 14,045.37 crore
3) Regional Rural Banks: Rs. 19,752.36 crore

*For the last 3 years, Lok Sabha Question Unstarred Question no. 508, 26/2/2016*
Agriculture Marketing

• Potential of Agriculture Marketing in the region
• Requirement for Agricultural Marketing
• Scheme to promote Agricultural Marketing

Food Processing

Skill Development
Agriculture Marketing Potential in Chhindwara

**Ecosystem**
- State Government Bodies.
- Farmer Producer Organizations (FPOs).

**Need**
- Marginal to Small Size of Land Holdings.
- Augmenting Produce will enable better income opportunities.

**Potential**
- High production of both food and horticultural crops within the region.
- Connectivity through SHs and NHs.
- Skilled Youth.

**Constituency Infrastructure for Marketing**
- 4 Rural/Urban Haats/Mandis
- 5248 km of Pucca Road
- 5 Wholesale Markets
- 208 Godowns with capacity of 130489 MT
- 2 Cold Storages with 5000 (MT)

**State Bodies which support Marketing**
- **Government Body**
  - Madhya Pradesh State Agro Industries Development Corporation Ltd

- **Cooperative Societies**
  - Madhya Pradesh State Cooperative Marketing Federation (MARKFED)

- **Private Body**
  - Madhya Bharat Consortium of Farmer Produces Company Limited

**Farmer Producer Organizations (FPOs):**
- FPOs are for profit bodies, which are created by a group of primarily small and marginal farmers, to collectivize their produce in order to procure better prices and maximize farm inputs in a cost efficient manner. The nodal organization for FPOs in the country is the Small Farmers Agribusiness Consortium (SFAC). There are three FPOs operating within the region at the moment.
  1. Cofe Producer Company Limited
  2. Chand Farmer Producer Company Ltd
  3. Sausar Farmer Producer Company Limited

**State Government Bodies.**
Structured agriculture marketing will create opportunities for farmers especially marginal and small scale farmers to increase their income, it would also enable end consumers (local or external) to procure food supplies at a lower rate. Realizing the potential of agriculture marketing, GoI has initiated the policy of National Agriculture Market which enables the use of information technology for the buying and selling of agriculture produce. The SFAC is the nodal agency for NAM.

**Level 3**

**NAM:** It is an e-market trading portal where the farmer has access to all the information required for the sale of his produce. It aims to promote transparency and create economies of scale for all stakeholders i.e. farmer, trader, consumer.

**Level 2**

**Agriculture Market Produce Committee (APMC):** The area in each state is divided into several market areas each of which is administered by an APMC. The mandis operate under their respective APMCs. At present only the Bhopal APMC of M.P. is enrolled under NAM. There are two APMCs in the constituency.

**Level 1**

**Mandis:** They are the local markets which are usually the first point of contact of the farmer with the trader. There are 8 sub-mandis in Chhindwara under 4 mandis covering 13 blocks.

**Proposed Framework under NAM**

This diagram shows the structure of the National Agriculture Market (NAM) with levels and components. Each level represents a different aspect of the system, from the local market level to the national trading portal. The nodes such as Chhindwara (APMC), Pandhurna (APMC), Churai, Saunsar, and Pandhurna illustrate the hierarchical structure and geographical distribution of the market areas.
• Potential for undertaking Food Processing activities in the region
• Developing Post Harvest Management
• Schemes which promote the setting up of Food Processing infrastructure
Food Processing in Chhindwara – Tapping the Potential

Policy Framework
- Notified Agriculture Produce including wheat and soyabean, meant for processing units are exempted from Mandi tax.*
- Fruits and Vegetables traded outside the Mandi are exempted from the Mandi Act
- Fruits and vegetables bought from outside the state, for processing units, are exempted from Mandi Tax

Fruit Production in the region
- Part of the orange cluster of the state, 270 hectares of land under orange cultivation.
- Citrus fruit production in constituency is 466.30 (000) tonne
- Amla production in the constituency is 11.88 (000) tonne

Infrastructure
- NH 69 and SH 19 run through the region connecting it to the important economic centres of Nagpur, Bhopal and Indore.
- India’s first spice park has been set up in Boregaon, Chhindwara. Moreover, a multi-product Special Economic Zone (SEZ) is also coming up in Chhindwara.

* Government notification D-15-06-fourteen dated 2/22011
Post Harvest Management which includes scientific storage and food processing options contribute to the quality of the produce supplied in the market. Keeping in mind the impressive agriculture production of Chhindwara, adequate post harvest management facilities are imperative in order for the region to fully realize the potential of its agriculture output and provide avenues for farmers to increase their income. The scientific storage and food processing options are highlighted below:

**Scientific Storage**
- Storage facilities allows farmers to conduct primary processing activities i.e. grading/sorting/cleaning their produce.
- Allows farmers to release their produce as and when they require, by taking advantage of the price fluctuation in the market, thereby procuring a more favorable price for their produce. Moreover, farmers can avail subsidy from organizations such as NABARD for the same.

**Food Processing**
- High production of soyabean and citrus fruits within the region..
- Food Processing is a labor intensive activity which requires low skill levels that can be impared through proper training and will create employment opportunities for the youth
- Increases the market value of food especially perishables
Most of the key schemes for post harvest management and agriculture marketing operate under the overall framework of Integrated Scheme for Agriculture Marketing (ISAM).

**Grameen Bhandaar Yojana (GBY)**

A capital Intensive subsidy Scheme, introduced in 2001-2002 which provides assistance for the construction of storage spaces (godown) in rural areas.

**Eligibility:** FPOs, Panchayats, NGOs, SHGs, Cooperatives, Government bodies, State Agencies

**Form of Assistance:** 33% subsidy of the capital cost. Subsidy ceiling up to 1000 ton capacity is Rs. 875/tonne. Maximum limit is Rs. 3 crore for SC/ST beneficiaries and FPOs. The credit is available to beneficiaries through banks and is routed through NABARD.

**Storage Capacity built:** Under GBY, a total of 3617 projects have been sanctioned in MP, which is the 3rd highest in the whole of India.

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**Integrated with Agriculture Marketing Scheme (AMI) under storage component. Both of which subsumed under ISAM in 2014**

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**ISAM**

In August 2014, several schemes, which dealt with post harvest management and agriculture marketing were combined under the overall framework of ISAM in order to bring about better synergy between the two aspects.

The marketing division of the Department of Agriculture and Farmer Welfare is overall in charge for the implementation of the scheme

Plan Outlay: Under the XIIth plan, ISAM has been allocated Rs. 4,548 cr, with Rs. 4000 cr being allocated towards AMI.

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**Storage Capacity Status in Chhindwara**

- **25** Gramin Bhandars
- **2** Government sanctioned Cold Storage
- **4** Private Cold Storage

*www.farmer.gov.in*
Key Government Initiative – Promoting Food Processing

The MP State Agro Industries Development Corporation Limited, Bhopal is the State Nodal Agency for the Ministry of Food Processing Industries. There are key schemes which have been instituted by National Horticultural Board, and other state agencies for setting up of food processing units in the State. Some of them have been outlined below.

<table>
<thead>
<tr>
<th>Name of the Scheme</th>
<th>Form of Assistance</th>
<th>Eligibility</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment subsidy scheme for construction/expansion/modernization of cold storage and storages for Horticulture Products Capital Horticulture Products</td>
<td>Assistance in the form of subsidy @ 35 % of the project cost for storage capacity between 5000 to 10000 MT.</td>
<td>Group of farmers, SHGs, individuals, FPOS, NGOs, Companies, APMCs.</td>
<td>National Horticultural Board</td>
</tr>
<tr>
<td>Warehouse Infrastructure Fund</td>
<td>Loans extended to 95 % for both public and cooperative sector, 75 % to the private sector. The loan is extended for storage capacity of more than 5000 MT. Loan period would be of seven years</td>
<td>Primary Agricultural Credit Societies (PACS) / Cooperative Marketing Societies, State Agencies, Individual Entrepreneurs</td>
<td>NABARD</td>
</tr>
<tr>
<td>Assistance for Infrastructure Creation (Project Facilities), Capital Asset Creation, Establishment of Small &amp; Medium scale Agro &amp; Allied Processing Units under Central Sector Integrated Scheme on Agriculture Cooperation</td>
<td>Assistance will be in the form of part loan part subsidy, 65 % of the amount would be given as loan, 15 % of the amount would be subsidized. The cap would be Rs. 5 crore per project.</td>
<td>Cooperatives/Societies</td>
<td>National Cooperative Development Cooperation (NCDC)</td>
</tr>
</tbody>
</table>

Setting up a mini Cold Storage – the Swaniti Experience

Swaniti has prepared a project proposal for a mini cold storage in Baruipur bock within 24 Parganas. This region is part of a horticultural belt, but the food and vegetables wastage is significant. The project cost of setting up one cold-room (capacity of 15-25 MT) ranges between Rs. 6-10 lakhs depending on the supplier of the unit. The operation and maintenance will be handed over to the Panchayat, who can charge farmers a nominal user fee of Rs 23 per kilogram per year.
Swaniti Initiative

- Skill Infrastructure
- Possible avenues for Skill Development
- Incentive for First time entrepreneurs

Agriculture Marketing

Food Processing

Skill Development
The Skill Development Ecosystem in Chhindwara

The skilling ecosystem within Chhindwara is extensive with considerable private participation. There are multiple stakeholders within the ecosystem, primarily the youth, government, employers and private providers of skill development services. The present section outlines the skilling infrastructure of the region and gives a brief overview of the future requirements of the skilled population.

**Skill Development Centres**

- Number of ITIs: 5
- Number of Polytechnic Institutes (Vocational): 1
- Number of Skill Development Centres registered with Department of Technical Education and Skill Development, Madhya Pradesh: 62
- Number of Private Skill Development Centres: 45
- Government Skill Development Centres: 17

**Courses Available at these Centres**

- The highest number of courses offered are in the IT and Construction sector.
- The least number of courses are offered in the Food Processing and Electronics sector.

Schools

<table>
<thead>
<tr>
<th>Total Number of schools</th>
<th>4158</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Schools</td>
<td>542</td>
</tr>
<tr>
<td>Government Schools</td>
<td>3616</td>
</tr>
</tbody>
</table>
By 2022, 9.08 lakhs will be participating in the labour market. The incremental supply of skilled personnel during 2012-2022 would be 165998

The incremental manpower requirement from 2012-2017 to 2017-2022 is most in the Transport and Logistics, Communications, and Financial Service Sector.

In the Transport and Communications Sector the increase would be 14 %, 19 % in the Communication Sector, and almost 5 % in the Banking and Financial Sector.

In the Healthcare Sector skilled manpower requirement will increase by almost 200 %.

The absolute skilled manpower requirement is highest in the Retail and Construction Sector presently.
**Pradhan Mantri Kaushal Vikas Yojana**

This is a flagship outcome-based skill training scheme with the aim of skilling 24 lakh youth across the country by 2020. An amount of Rs. 1500 crores has been allocated under this scheme. Under this scheme, a monetary reward is provided to the trainee after assessment and certification of the skills acquired. This scheme is to be implemented through Public-public and Public –Private partnerships. National Skill Development Council (NSDC) is the implementing agency for this scheme.

### Beneficiary

An unemployed youth who is a school / college drop out and possess an Aadhar card. College students are not allowed to be enrolled under PMKVY. It is mandatory to have an Aadhar card for enrollment into any of the courses available at the PMKVY centres.

### Monetary Reward

A monetary reward is given to successful candidate after s/he undergoes assessment post training completion. The monetary reward is transferred directly to the bank account of the beneficiary. The amount varies from Rs 8000-12000 depending on the course.

### Training Partner (TP)

After getting affiliated with NSDC, the body support in terms of funding to the tune of 75% of the total project cost in case of for-profit entities and up to 85% of the total project cost in case of not-for-profit entities.

Assessment Agencies (AA) for certification and Training Partners (TP) have to be completely separate to carry out their functions.

### Payment under PMKVY

A Training Partner is paid according to the guidelines of PMKVY, in three stages.

- **Stage 1:** 30 % for candidates, vouched for on the commencement of the batch.
- **Stage 2:** 50 % on successful certification of the trainee
- **Stage 3:** 20 % on outcome based placements.
Lack of finance has been cited as one of the reasons which discourages the growth of SME sector in Chhindwara.*The SME sector attracts first time entrepreneurs because of the low capital requirements, lack of direct financing is the biggest hindrance to the development of this sector. However there are certain policies which are already in place which cater to the financing requirements of budding small and micro enterprises.

Pradhan Mantri Micro Units Refinance Development and Refinance Agency Yojana (PMMY)

MUDRA refines financial bodies/ institutions including commercial and rural banks which lend to the MSE sector. The loan amount under MUDRA is of three types with the maximum amount being of Rs 10,00,000

- **Shishu**: loans for <50,000
- **Kishore**: Loans between 50,000 \(\leq\) 5,00,000
- **Tarun**: Loans 5,00,000\(<\) =10,00,000

Eligibility for MUDRA loans: Owners of micro enterprises such as as small manufacturing units, service sector units. shopkeepers, fruits / vegetable vendors, truck operators, food-service units, repair shops, machine operators, small industries, artisans, food processors and others, in rural and urban areas. All the categories of loans are collateral free loans. The rate of interest will be low as the objective of this policy is to promote the Micro sector

Preference is given to women and SC/ST beneficiaries

*Industrial Profile of Chhindwara district, dcmsme.gov.in*
Stakeholder Analysis

- **Local Organizations**
  - They have an acute sense of ground level developmental requirements and can serve as efficient knowledge sources. Some examples of these bodies are NGOs, SHGs, FPOs, Gram Panchayats amongst other options.
  - They can also play the role of mobilizing agents for the community.

- **Government Bodies**
  - These bodies have the highest powers of penetration in terms of geographical and administrative reach.
  - The information/data which they store would be useful to plan any development support or intervention plan.

- **Private Players**
  - They have adequate resources to provide financial and infrastructural resources for any developmental intervention especially through their CSR activities.
  - They can also be agents and knowledge disseminators of best practices due to their network and external engagements.

*Possible Stakeholders*

- 3500 local SHG*s, 3 FPOs specifically located in the district.
- Presence of two large scale enterprises in the district which could be channelized for CSR funds.
- Considerable private participation in skill development due to which varied courses like apparel design are also available.