



Proposed Agri-Business Cluster at Latur - a case study of possible integration of production and consumption

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Need :- Distribution of agricultural produce is undergoing tremendous change due to organised retailing, retail chains and exports. This restructured set up will be served better through value addition and productivity enhancement.

Approach :- Create value addition cluster supported by very strong backward linkages for production planning, enhancement of productivity and forward linkages with retail chains, processors, exporters, aggregators and others.

Project concept :- In the vicinity of Latur city around three hundred acres of Land, preferably at three different routes shall be selected for the three clusters, entirely dedicated to the business of value addition, direct marketing, exports, etc.

About CITA

International Agri-Business and related policies have great impact in today's free trade regime "**Centre for International Trade in Agriculture and Agro-based Industries (CITA)**" is an initiative of Yashwantrao Chavan Pratishthan, Mumbai supported by prominent apex farmers and agro-processors' federations committed for the development of Agriculture and Agri-Business in India.

Realizing the significance of focused and professional approach for the Agriculture and agro-based Industries many prominent public personalities and eminent professionals under the leadership of visionary **Shri. Sharad Pawar** decided to come together and supported the foundation of CITA. CITA is a non-profit Limited Company registered U/s 25 of Companies Act.

Mission / Focused Activity :-

To empower and induct various avenues for Capacity Building of all stakeholders in Agri-Business in post world trade organisation regime.

Objectives:

- To keep farming community, their Associations and Agro-Based industries informed about the latest developments and trends in agri-business in WTO regime and get their feedback.
- To create a network or a group of members from various countries having similar interests for ensuring fulfillment of WTO's objective of Development through smooth & orderly trade.
- To interact with Government of India, various state governments and other policymaking bodies in respect of agriculture policies and programs with reference to WTO developments.
- To enhance capacity of Indian Agri-Business for WTO challenges / opportunities.



Cluster I : For Non perishables

A) Foodgrains section :- Major non-perishable agri-produce of the region i.e. Jowar (Kharip + Rabi,) Wheat, Maize and Bajra shall be the main foodgrains for value addition. Jowar + Bajra would mainly be processed for flakes, ready to eat snacks and ready to cook i. e. precooked items. Considering economic feasibility, pharma-grade Ethanol or ENA would be considered. Ethanol based on sweet sorghum is also possible with the help of ICRISAT, Hyderabad.

Maize could be processed basically for poultry / animal feed. Also corn based snacks and ready to eat food items could be considered. The soya cake, the processed oil seed and cakes would be supplemented for human / animal feed.

Wheat after cleaning and grading could be packed in consumers packs for direct selling. Also whole wheat flour, bakery and other wheat based ready to eat food could be considered.

B) Pulses :- Major pulse crops are Arhar, Gram, Green gram, Black gram. These could be processed into pulses. The bran could be a supplement for human- animal feed. Various snacks and ready to eat food items would come up in this cluster as value addition chain. Polishing would be a good business.

C) Oil seeds :- Soya, Groundnut, Sunflower, Safflower, Sesamum, cottonseed are the major oilseeds in this area. Edible oils basically would be used for packaging for retail consumption-domestic & exports. Edible oil cake would go for animal / poultry feed and/or exports.

Cluster II : For Perishables

Major fruits in this area.

Tree-born fruits :- Mango, Ber, Custard apple, Tamarind, Pomegranates, Sapota, Guava, Mosambi, Amla, Figs.

Other fruits :- Grapes, Bananas, Melons.

A) Value addition in Fruits :- would consist of the following.

- a) Primary collection, cleaning, sorting, grading centres at different villages and transportation in climatic conditions to ABC Latur.
- b) **Table Fruits :-** From receiving point onwards, the cluster would provide under appropriate climatic conditions, receiving, cleaning, sorting, grading, packaging, labeling and holding in appropriate climatic conditions through precooling and cold storage



chambers. However frozen chambers would be required for storing pulp, purees, squashes, jams etc..

- c) **Processed fruits :-** Various fruits could be processed into pulps, purees, cut pieces in to brine or otherwise. There is good potential for fruit assortments Also Juices, (pure, added, and blended) are possible for various market segments (domestic / exports).
- d) Further chain of fruit processing for jams, jellies, candies toffees, sweets, ice-creams will come up in the cluster.

B) Vegetables :-

Currently ladies finger, ambergins, various gourds, cucurbits and leafy vegetables are being grown. They could be processed for retailing after the treatment of cleaning, sorting, grading, packaging, branding and labeling. Transportation and storage shall be through controlled climatic conditions i.e. cool chain up to retailing and or exports. Pre-prepared, cut vegetables are in good demand which could be prepared in this cluster for retailing / exports. Soups, shorbhas, snacks of various vegetable, food grain, pulses based formula could be the outstanding feature of this cluster.

C) Health Food :-

Now a days health food items are in good and increasing demand. Low calorie, low fat but well nutritional foods are in rising demand. The organic foods are also in good demand. Cluster would enhance the production and supply of health food.

D) Diversification :-

In this segment of perishables, excellent scope exists for non-traditional produce like exotic vegetables, continental vegetables, and different types of mushrooms, algae and other fungi's – for domestic high income bracket group as well as for exports.

Cluster III - For Ayurveda, aromatic, beautification products -

This area has good potential for some of the ayurvedic produce, aromatic plants, herbs and shrubs. Full fledged cluster for processing these produce, raw, semi processed, processed including capsulation / injectibles would be the activity of future. This would back up health food activities in adjoining cluster.

Exclusion :-

At present Agro-chemical manufacturing, floriculture, inputs manufacturing and livestock based activities are not suggested in this ABC Latur, which could be taken up in second phase of expansion after adequate infrastructure is established.



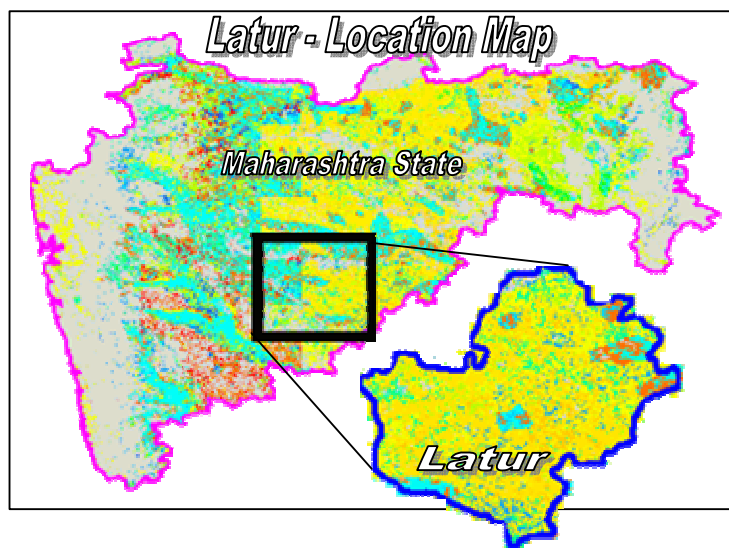
Role of Cluster :-

Shall be that of a FACILITATOR and not the entrepreneur for the following.

- a) Acquiring adequate land.
- b) Land development for various purposes.
- c) Common facilities / infrastructure like roads, power, water, sanitation, environment boosting, common effluent treatment including power generation from bio-mass and effluent.
- d) Common warehousing / storage – climatic conditions, modified atmosphere and ordinary.
- e) Transport hub - multi modal i.e. Rail-Road,-Sea,-Air. Existing rail head would be useful for sea and air transportation through containers.
- f) **Information** – Computerised Information and communication would be the heart of all infrastructure of ABC Latur. For that Y-MAX or WLL would be adopted.
- g) **Market facilitation :-** Common branding if required, tie-ups with Malls, aggregators, processors, exporters and other domestic markets.
- h) **Export facilitation :-** Market buyers tie-up.
- i) **Financial functions :-** Help in procuring loans from various sources and grants, subsidies under different schemes.
- j) **Contract farming** - for assured market rates, for market led production with enhancing productivity.
- k) **Relief and Rehabilitation Functions :-** Risk coverage through various packages for unforeseen losses due to natural calamities or market collapse or any other unforeseen reasons / circumstances.
- l) **Forward Trading** would be a prominent activity.

Strategy :-

- a) Special purpose vehicle to be set up involving a Corporate House, District Central Coop. Bank, the Coop sugar mills, APMC Latur and leading entrepreneurs / Industrialists. This shall have very dynamic, professional management.
- b) Backward Linkages are the integral part of ABC Lature. Farmers should be organised villagewise, areawise, commoditywise either through producers companies or self help groups or cooperatives.
- c) Forward linkages with Malls, Food stores, processors, exporters shall be on long term basis with structured agreements and implementation schedules.



Latur - At A Glance

Population (2001 census):	2,078,237	Literacy rate (2001):	76 %
Below poverty line:	0.854 Lac	Infant mortality rate (IMR):	10
Geographical location:	Between 18°05' North to 18°7' North and 73°25' East to 77°25' East in the Deccan plateau		
Area:	7,372 sq km		
Adjoining districts:	East: Nanded; south-west: Osmanabad; north-west: Beed; north: Parbhani; south-east: Andhra Pradesh		
Major urban centres:	Ahmadpur, Ausa, Latur, Nilanga, Udgir		
Major crops:	Cereals, oilseeds, pulses, grapes		
Major rivers:	Manjra, Terna, Rena, Manar, Tawarja, Tiru, Gharni		
Total no. of Sub Divisions: 3		Total no. of Tahsils: 10	
Total no. of Villages: 945 (Census 2001)		Total no. of Gram Pachayat: 782	

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Statement showing Actual APY for Kharif 2005-06 season for Latur Division

No.	Crop	Latur			Osmanabad			Nanded			Parbhani			Hingoli			Total Division		
		A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y
1	Rice	96	19	200	140	14	100	152	114	750	69	28	40	43	19	450	500	194	388
2	K. Jowar	1325	1060	800	780	468	600	1630	1549	950	834	771	925	522	574	1100	5091	4422	869
3	Bajra	65	20	300	195	29	150	4	1	300	67	23	350	3	1	450	334	75	628
4	Maize	37	15	400	148	81	550	4	3	700	24	20	825	5	5	950	218	124	1349
5	Other Kh.Cereals	5	1	200	12	3	250	7	2	300	1	0	450	2	1	450	27	7	276
	Total Kh. Cereals	1528	1115	729	1275	517	405	1797	1669	929	995	842	846	575	600	1043	6170	4822	782
6	Red Gram	603	362	600	1125	844	750	501	376	750	542	420	775	260	195	750	3031	2196	754
7	Green gram	203	16	80	155	16	100	343	69	200	673	135	200	203	51	250	1577	286	259
8	Black gram	730	91	125	445	93	210	534	160	300	148	33	225	185	65	350	2042	443	331
9	Other Kh.Pulses	20	1	50	24	2	100	13	3	250	13	3	200	4	1	200	74	10	136
	Total Kh. Pulses	1556	370	238	1749	955	546	1391	608	437	1376	591	429	652	312	478	6724	2935	437
	T. Kh. Foodgrains	3084	1485	481	3024	1472	487	3188	2114	663	2371	1433	604	1227	912	743	12894	7757	602
10	Groundnut	68	22	325	75	26	350	4	3	650	2	1	625	0	0	0	149	52	350
11	Sunflower	115	23	200	470	146	310	40	20	500	88	35	400	0	0	500	713	224	314
12	Sesamum	60	4	70	52	4	70	44	9	200	39	4	100	11	1	125	206	22	106
13	Soybean	1267	634	500	245	127	520	1310	1313	1000	753	640	850	1311	1183	900	4886	3894	797
14	Niger	43	4	100	55	8	150	17	3	200	20	3	150	4	1	150	139	20	141
15	Other Kh.Oilseeds	0	0	0	10	2	175	10	2	200	8	2	200	2	1	250	30	6	195
	Total Kh. Oilseeds	1553	687	442	907	313	345	1425	1347	945	910	685	753	1333	1185	889	6128	4239	692
16	Cotton	56	33	100	28	12	75	2014	1399	135	1513	1291	145	619	473	130	4230	3409	137
17	Sugarcane	466	27960	60	390	21450	55	268	18760	70	236	17700	75	133	8645	65	1493	94515	63
	Total Kharif	5159			4349			6895			5030			3312			24745		

(A - Area sown in '00'ha., P - Production in '00'MT, and Y - Yield in Kg/Ha., Cotton P in No. of Bales)



Statement showing Actual APY for Rabi 2005-06 season for Latur Division

No.	Crop	Latur			Osmanabad			Nanded			Parbhani			Hingoli			Total Division		
		A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y	A	P	Y
1	R. Jowar	265	227	856	2410	1742	723	243	160	660	1846	698	643	203	113	556	6967	2940	592
2	Wheat	372	485	1303	431	518	1203	358	362	1012	441	504	1143	531	931	1754	2133	2800	1313
3	R. Maize	7	9	1285	11	13	1200	6	11	1882	3	6	1882	5	9	1882	32	48	1500
4	O. R. Cereals	7	0	0	0	0	0	2	0	0	4	0	0	3	0	0	16	0	0
	Total R.Cereals	651	721	1107	2852	2273	797	609	533	875	2294	1208	526	742	1053	1419	7148	5788	810
5	Gram	524	344	657	682	454	666	309	208	664	545	292	542	339	262	772	2393	1560	652
6	Other R. Pulses	17	0	440	10	0	0	4	0	0	20	0	0	7	0	0	58	0	0
	Total R.Pulses	541	344	636	692	454	656	313	208	664	559	292	522	346	262	757	2451	1560	636
	T.R.Foodgrains	1192	1065	893	3544	2717	769	922	741	803	0	1500	526	1088	1315	1211	9599	7348	768
7	R. Sesamum	0	0	0	0	0	0	3	1	333	0	0	0	0	0	0	3	1	333
8	Safflower	194	108	558	305	211	693	64	42	658	356	185	521	277	173	624	1196	719	601
9	Linseed	31	0	0	65	0	0	3	0	0	12	0	0	19	0	0	130	0	0
10	R. Sunflower	526	333	634	488	340	696	115	57	493	119	65	543	102	15	551	1350	810	600
11	O. R.Oilseeds	10	0	0	0	0	0	8	0	0	7	0	0	3	0	0	28	0	0
	T. R. Oilseeds	761	441	579	858	551	642	193	99	513	494	250	506	401	188	469	2707	1529	565
	Total Rabi	1953	1506	771	4402	3278	745	1115	840	753	494	1750	523	1489	1506	1011	12306	8880	721
1	S. Maize	8	9	1100	21	0	0	3	4	1271	8	10	1315	4	5	1312	44	28	636
2	S. G'nut	12	16	1381	94	222	2361	92	152	1649	76	98	1295	82	105	1285	356	593	1666
3	S. Sunflower	10	6	648	35	27	785	23	15	669	11	7	650	4	2	630	83	57	687
	Total Summer	30	31	1033	150	249	1660	118	171	1449	95	115	1210	90	112	1244	483	678	1404
	Total R. + S.	1983																	

(A - Area sown in '00'ha., P - Production in '00'MT, and Y - Yield in Kg/Ha.)



Districtwise /Cropwise Area under fruit crops - 1990-91 to 2005-06

Sr.No.	Fruit Crop	Latur	Osmanabad	Nanded	Parbhani	Hingoli	Division Total
1	Mango	11929	11196	19386	10827	3410	56748
2	Cashewnut	9	4	79	1	5	98
3	Jackfruit	0	0	0	4	0	4
4	Ber	2601	4052	2452	2107	667	11879
5	Custard Apple	562	1123	2233	961	442	5321
6	Aonla	150	163	404	493	176	1386
7	Tamarind	1980	2797	1060	382	39	6258
8	Coconut	44	105	181	85	8	423
9	Orange	40	7	2332	4331	3770	10480
10	Sweet ornage	557	714	15753	7022	3250	27296
11	Sapota	848	1169	2467	1127	405	6016
12	Guava	442	842	908	536	42	2770
13	Pomegranate	782	972	270	367	109	2500
14	Jamun	15	2	25	55	16	113
15	Bamboo	0	0	4	11	3	18
16	Fig	234	319	7	48	9	617
17	Jojoba	0	0	0	6	2	8
18	K. Lime	212	839	444	1104	135	2734
19	MKV Farm	0	0	0	50	0	50
20	Med & Aro.	3	4	2	3	0	12
21	Other	6	1	75	7	3	92
Total		20414	24309	48082	29527	12491	134823