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Medicinal Plants Value Chain Intervention: Bringing Rural Communities Closer to Urban Buyers in Uttarakhand, India

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Abstract

Geographical remoteness, lack of opportunities, small land holdings and scattered establishments results in rural-urban disparity and regional divide among hill and the prosperous plains of Uttarakhand, India. These conditions compel the high altitude farmers of kuth (*Saussurea costus*) and kutki (*Picrorrhiza kurroa*) to live in utter poverty. Addressing this disparity, GIZ in its Regional Economic Development Programme, in 2009–2010; together with the Uttarakhand State Government analysed the value chain of these medicinal plants for pilot intervention in Chamoli district. The methodology included desk research, roundtables, stakeholder consultations and value links approach. The paper presents the results of successful interventions. Bottlenecks identified at farmer end included insufficient market information, lack of aggregation of produce and little incentive to promote cultivation. The constraints from buyer side were; farmers in high-altitude regions were largely unorganised, scattered cultivation plots, small volume of the produce with no aggregation point and lack of infrastructure; which discouraged buyers from travelling uphill to buy produce from individual farmers. Change was introduced by project interventions at the interface of communities and urban buyers. Vertical coordination provided a platform for interaction between farmer representatives and buyers. The structured event/buyer-seller meet allowed one-to-one interaction between buyers and sellers. Negotiations were moderated by neutral and respected referees from Government side. Thereby, formal agreements for the supply of 2,000 kg and 1,500 kg of kuth and kutki at INR 150/kg and INR 425/kg were agreed, which previously were very low INR 40/kg and INR 120/kg respectively. By facilitating functional upgrading through partner organisation in harvesting, sorting and grading practices, the overall quality of produce improved. Chemical test reports were enclosed with every lot of produce transported. Through process upgradation the farmers' federation at village level were enabled and establishment of aggregation points for logistical facilitation were established. The results achieved were, an organised value chain, a strong farmer federation with reduced risks and better understanding of market demand. Presently, farmer federations are selling cultivated & certified kutki upto INR 1000/kg. Study by partner organisation (2013) showed an increase in overall household income by 13.33% through increased prices after the intervention.

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