

**KUDUMBASHREE MISSION**

**An internship report on the study of pickle-based micro enterprises in  
Thiruvananthapuram district**

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## **Introduction**

Kudumbashree aims to eradicate poverty through women empowerment . One of the major ways chosen to reach this aim is by creating platforms for micro enterprises. These micro enterprises are spread across various sectors. The sector chosen for this project is pickle manufacturing . The ME units are spread across the district but only 10 units were chosen for the study. Then the functioning of each unit is studied and the existing value chains are analysed . A comparison is done and the gaps are identified. According to these , solutions are suggested.

## **Objectives**

The various objectives of the internship are as follows :

- To visit and study the functioning of different pickle based micro enterprises in Thriuvananthapuram district.
- To understand the existing value chains of these MEs.
- To identify the gaps so as to understand the level of sustainability.
- To suggest measures for an inclusive and sustainable value chain.

## **Methodology**

The different methodologies used for collecting data are semi-structured interviews , observations ,and focussed group discussions. Some doubts were clarified through telephonic conversations as well. Snowballing technique was also employed to collect some data.

## Details of the Pickle Units

S.No	Name	No :of members	Date of formation	Address	Initial Investment	Sales turnover	Credit taken	Training attended
1	G.V	12	April , 2006	Ooruttukala ,Neyyatinkara	Around RS 500 to 1000	-	NHG loan	Pickle making , packing , labelling
2	Anna	10 at first ,Individual	Feb, 2002	Valiyathura	Rs 25000 SHG loan	Rs 10,000 to Rs 15,000	NHG loan , bank loan	Packing , labelling
3	Muthassikootu	8	October , 2015	Shanthivila , Vellayani	Rs 2500	seasonal	Not yet	Packing , sealing
4	Sivaparvathy	Individual ( 3 helpers)	Sep , 2014 to May 2017	Vedivechankovil		-	-	Packing , sealing
5	Pavithra ( regd as company )	10 at first ,individual	April , 2013	Nagaroor , Attingal	Rs 3000	Around 3.5 crores	NHG loan ,Bank loans - IOB	Pickle making
6	Vishwas	Individual	2015	Vellayani		-	Bank loan	-
7	Aishwarya	5	2008	Pravachambalam			NHG loan	Packing , sealing
8	Amma	6	April 2016	Kanjiramkulam	Rs 150 each	Rs 3000 weekly	NHG loan	Packing , sealing
9	Mahima	Individual ( 3 to 4 helpers)	January 2016 to July 2016	Uriyakode , Vellanadu	With own mangoes		-	-

## Strengths, Weaknesses, Opportunities and Threats

Through the interviews and focussed group discussions conducted , the character and features of the pickle based micro-enterprises by members of Kudumbashree were understood. The strengths , weaknesses , opportunities and threats faced by them are discussed as follows :

- Strengths :
  - Pickles are an important part of Indian cuisine and there is a perpetual demand and market for good quality pickles .
  - The food products made by Kudumbashree women have gained a lot of trust and acceptance among people as it is home –made , hand-made and localized .

- Most of the units are also good at experimenting and coming up with innovative recipes of pickles and similar products. The taste is also not compromised.
- Minimal use of preservatives is also another notable advantage.
- Weaknesses :
  - Because of the localized and small-scale nature of production , branding is not possible.
  - As the raw materials are mostly seasonal raw materials like mango , lemon etc , there are periods of excess and scarce availability of the same . Hence , appropriate methods to deal with them should be developed.
  - Though the Kudumbashree label is helping the members with the ‘home –made ‘ and ‘hand-made’ tag and trust among customers , there is also a serious concern regarding the ability of the units to meet the demand created. Most of the owners of the supermarkets and retail shops stop buying these products as there is no regular availability.
- Opportunities :
  - Most of the strengths discussed turn out to be the biggest opportunities. The constant demand and fondness for pickles should be understood and the potential markets should be captured .
  - Customer segmentation should be rightly. For example , youngsters living away from home , families that are living abroad etc are some types of customer segments .
  - People are always in need for different flavours and new tastes. Many are open to experimenting.
- Threats :
  - The already established brands and the markets they have captured are the biggest threats to these MEs. It is a huge challenge to compete with these companies. New methods and technologies for manufacturing , storing ,preserving and packaging are deployed by them and the costs of input supplies are also reduced . Hence the profits are also high.
  - During peak seasons , many people make pickles at their homes itself and this reduces the demand to some extent.
  - Growing concerns over health issues like blood pressure sometimes reduces the demand for pickles.

## **Problem Analysis**

The core problem identified is the lack of sustainability of pickle based micro enterprises.

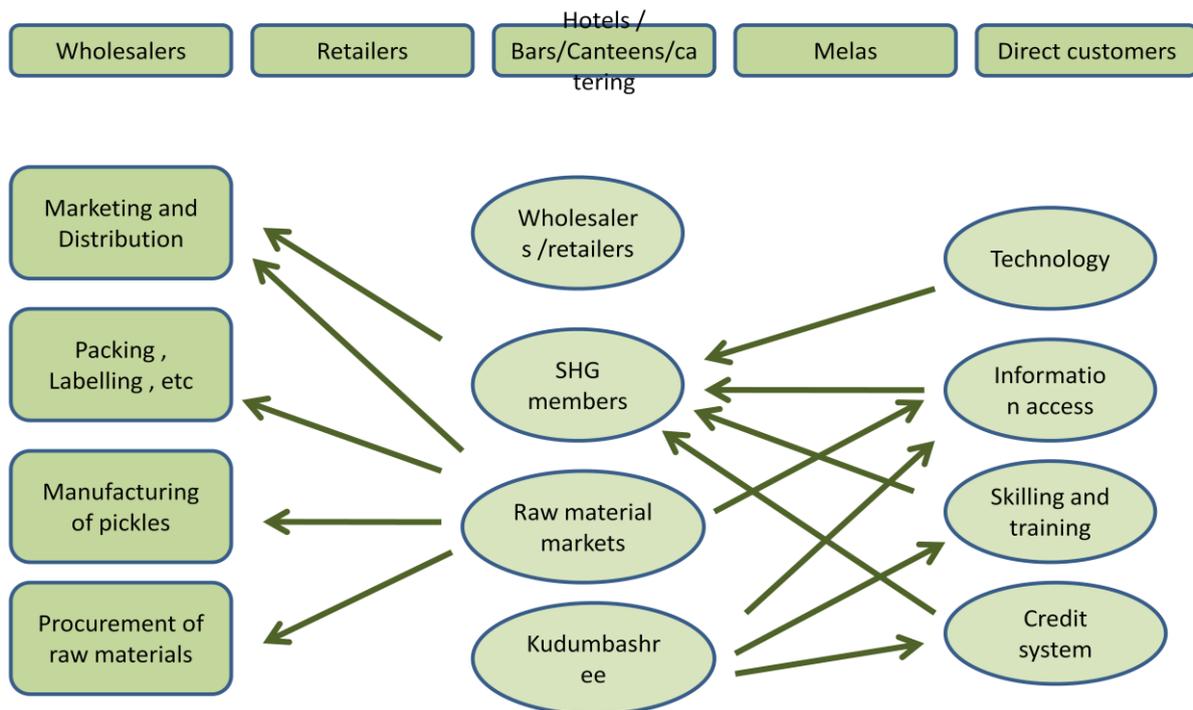
Some of the root causes of this problem are as follows :

- Lack of skills and training
- Lack of adequate finance
- Lack of usage of appropriate technology like storing , preserving , packing , labelling,etc
- Lack of market linkages
- Dynamics and relations within groups and other institutional levels

The effects of these problems are hence :

- Reduced profits and income
- Inability to face competition
- Inability to scale up the enterprise
- Inability to recover loans and losses

## Value Chain Relationships



To understand the functioning of pickle based micro enterprises , the existing value chains are studied. The different actors in the value chain are the input suppliers , manufacturers , retailers , wholesalers and Kudumbashree. The support services include credit systems , skilling and training sessions, subsidies and technological support.

- **Input supplies :** Most of the units procure their raw materials from the Chala market which is the biggest wholesale market in the district . Some of them procure from the local markets and also use their own farm produces. Only one unit called Pavithra pickles has moved on to form a company eventually and procures materials from different regions across different states .
- **Manufacturing :** Except for Pavithra pickles , others make pickles at their own places without machines.
- **Storage :** Again here , only Pavithra pickles stores the raw materials in bulk amounts for lean seasons. This is done through special storage methods deployed by big companies.
- **Packing , Labelling and Barcoding :** While some units use plastic covers of varying thickness , some others use plastic bottles to pack. 3 of the units have barcoded most of their products and also obtained the FISSAI licenses. Others have not yet labelled their products or barcoded.

- Marketing and Distribution : This is one of the most challenging areas of the whole value chain. Most of the units are unable to ensure supply inspite of demand , mainly due to the inability to incur costs and irregular distribution mechanisms. Capturing markets is also a huge challenge . Pavithra pickles has managed to find sustainable markets and ensure supply also.

## Value Chain Comparisons and Gaps Identified

The different units are compared on the basis of different value chain components as follows:

S.No	Name of the units	Input supply	Production	Technology used	Labelling, Barcoding	Licensing and quality control	Markets
1	G.V	Chala,own and local markets	Hand made	none	none	none	Melas , local market , Direct customers
2	Anna	Chala	Hand made	Packing machine , Weighing	Labelling and barcoding	none	Melas , supermarkets , Agrobazar, Local shops , Direct customers
3	Vishwas	Local markets	Hand made	none	none	none	Melas , Local shops
4	Amma	Chala, Local Markets, own	Hand made	Sealing , Weighing ,	Labelling	obtained	Melas , Local shops Supermarkets Direct

<b>5</b>	<b>Pavithra</b>	<b>Other areas</b>	<b>Machines used</b>	<b>Storing , Production, Packing , Sealing, Weighing</b>	<b>Labelling Barcoding</b>	<b>obtained</b>	<b>Melas , Hotels Bars Canteens Wholesalers Retailers Supermarkets</b>
<b>6</b>	<b>Mahima</b>	<b>Local Market, own</b>	<b>Hand made</b>	<b>Packing , Weighing</b>	<b>none</b>	<b>none</b>	<b>Direct Own shop</b>
<b>7</b>	<b>Muthasikootu</b>	<b>Local Market, Chala</b>	<b>Hand made</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>Kudumbashree Vipanana kendram</b>
<b>8</b>	<b>Siva parvathy</b>	<b>Chala</b>	<b>Hand made</b>	<b>none</b>	<b>none</b>	<b>none</b>	<b>Melas , Direct</b>

The major gaps identified are in the following areas :

- Procurement of raw materials
- Unavailability of credit systems and subsidies
- Lack of appropriate technology
- Marketing
- Distribution of products

### **Proposed Solutions**

The different solutions that emerged from the above identified gaps are as follows :

- A common Kudumbashree enabled raw material reservoir to ensure cost effectiveness( especially during seasons) as a method to reduce input costs.
- Awareness and motivation classes regarding technology (GST) , market studies , quality control etc by bringing successful entrepreneurs.
- Subsidised provision of storing infrastructure.

- Efficient functioning of representatives at all levels through audits and follow up
- Book keeping drive by reinstating the importance of book keeping and classes for the same.
- Marketing consultants to help in accessing markets and establishing linkages
- Provisions to market through direct selling .This industry is gaining momentum because of government attention.

## **Learning and Reflection**

The ground level realities of working with women SHGs were understood. The different bureaucratic hurdles and institutional dynamics were seen clearly.

As the objective of the Kudumbashree mission is to empower women by eradication poverty , the micro enterprises seem to help in achieving that. However , enterprise development or entrepreneurship development is still a not very successful. It still remains as an income generating activity . The success seen by Kudumbashree in service sector is not seen in enterprise sector. Hence , it is still a conflict between income generation and enterprise development.