

Women Claiming Their Space Through Formalisation in Dholpur, Rajasthan, India

A Case Study of a Formal Women-Owned Company in the
Male-Dominated Informal Mustard Value Chain



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Colophon

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This case study of a Women Farmers Producer Company shows that sometimes, formalisation is the only way for women to be recognised as economic actors in a value chain beyond farm labour. If both the informal and the formal spaces are dominated by men, the formal space can sometimes offer growth possibilities for women's collective action. Self Help Groups in India are noted for their impact on women's empowerment, but also for their limitations in terms of addressing deeper inequalities. A formally registered company can set an example. If male dominated value chain actors support this, it can become a changemaker for women's empowerment in the food system.

The context

In India, women play a significant and widely undervalued role in agriculture, mainly on the production side (see Box 1). Union authorities have admitted that agriculture, the largest production endeavor in India, which contributes substantially to the GDP, is increasingly becoming a female activity. Yet, women lack recognition and identity as farmers. Women are largely considered as a source of labour only. An Oxfam study assessed that women log 3,300 hours of work on farm labour¹ during a crop season, compared to the 1,860 hours logged by men. A large section of male members migrate to cities in search for jobs. Some 70% of all women engaged in cultivation are from households undergoing migration by the male counterparts (IHD, 2014 New Delhi). Today, 75% of the full-time female rural workforce is employed in the agricultural sector, against 59% for men. As per World Economic Forum's Gender Gap Report 2022, India ranked 135 out of 146 countries behind Sri Lanka, Bangladesh and Nepal.

Box 1: Did you know?

- 80% of all economically active women in India work in agriculture.
- They comprise 33% of the agricultural labour force and 48% of self-employed farmers.
- Participation of women is 75% in production of major crops, 79% in Horticulture, 51% in post-harvest processing and 95% in Animal Husbandry and Fisheries.
- Yet, women are hardly recognised as farmers.

Mustard Production

Mustard is an important crop in India, which is highly useful for human consumption, as well as livestock feed. It is one of the high cash-value crops in the region produced in '*Kharif*' (Winter season), which contributes significantly to rural livelihoods. Mustard seeds yield mustard oil, a key ingredient in cooking and industrial applications. It is also rich in nutrients, for both human and livestock. Mustard exhibits remarkable climatic resilience, thriving in diverse conditions and contributing to agricultural sustainability, supporting both food and feed requirements. Most of production work for mustard is performed by women, marketing activities are performed by men.

Rajasthan is the largest producer state of mustard oil², producing 40–50% of the mustard. The average productivity for the year 2022–23 has been estimated at 1,203 kg/ha, translating into a total mustard production of 115.25 lakh tonnes. The Solvent Extractor's Association (SEA) estimated the crop at 110 lakh tonnes in the previous year.

¹ <https://www.oxfamindia.org/ar2015/>

² Other major producing states are Madhya Pradesh, Haryana Gujrat, and Uttar Pradesh.



Dholpur is one of the districts in Rajasthan where mustard is produced by over 80% of the farmers in the 'Rabi' season. As per the data available by Niti Aayog, the Government of India, Dholpur is one of the poorest districts (see Box 2).

As all over India, women in Dholpur produce most of the food that is consumed locally, which makes them important agents of economic development, food security and household welfare. Especially tribal women, however, are deprived of their rights. Not being recognised as farmers, they lack control of productive resources, and they are excluded from developmental processes that take place at village level.

Box 2: Dholpur District at a Glance

| | |
|-------------------------------------|---|
| Literacy rate | 69.08% |
| Rainfall | 794.7 mm |
| Demography | Urban population: 17.41%. Rural population: 82.59%. There are 13.25% Scheduled Caste (SC) and 2.58% Scheduled Tribe (ST) of the total population in Jodhpur Tehsil. |
| Topographically | Sparsely populated hilly region of the Aravalli plateau (Daang). Densely populated plain region. Undulating ravenous area along the Chambal (Behad). |
| Average land holding | 1.57 ha (Skewed land distribution – 53% of HH encompass 16% of land, 25% of large farmers own 63% of land). |
| Sex Ratio | 845 women : 1,000 men. |
| SDG Composite Index | 52.43 |
| Average annual family income | Approximate INR 75,000 (1000 USD). This comprises 40–70% from Wage, 30–40 % from livestock and 5–15% from Agriculture. |

The informal and formal actor network around mustard

There are multiple actors in the mustard value chain including: input suppliers, farmers/producers, local small traders, Government, processors (oil millers), sellers (wholesalers and Retailers), women farmers producer companies, and consumers:

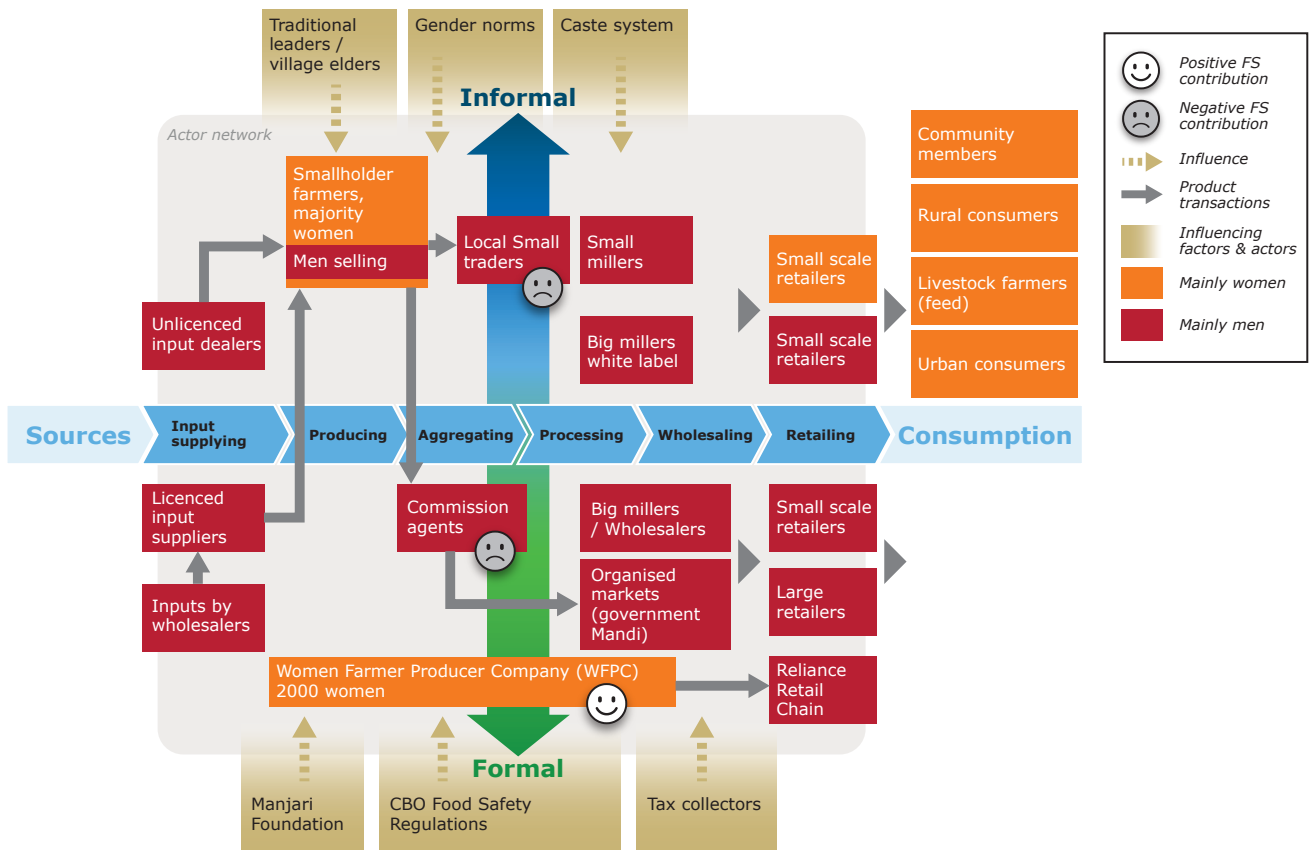


Figure 1: Actor map of the mustard value chain in Dholpur, India.



Figure 2: Input suppliers explains about his products.



Figure 3: Women farmers in the field in Dholpur.

1. Input suppliers sell seeds, fertilisers and pesticides. This is highly male-dominated. They are generally from outside the producing communities. They mostly operate small, licenced business ventures. They directly procure inputs from large wholesalers and companies and sell to farmers. These dealers are highly connected with farmers and influence them in their choice of variety and use of inputs.

2. Farmers/Producers are both male and female, but 80% of the work is carried out by women. Women members play a critical role in sowing, weeding, irrigation and harvesting. Marketing is largely done by men.

3. Small Traders from urban areas are all men, they purchase the mustard directly from farmers in villages. They play a critical role in the whole trading cycle, usually they are highly connected with farmers. They procure the mustard and make payments directly to farmers in cash and sometimes, through bank transfers.

4. Processors/Millers are important actors in mustard value chain. They combine the roles of trading, processing and sale of mustard oil and cake to the wholesalers. They hold infrastructure for processing. This is also highly male dominated and handled by men.

5. Private wholesalers procure the oils and mustard cake and sell to retailers. They control the market, have high capital investment and also engage in export. This is also highly male dominated.



Figure 4: Informal processor with a mustard oil mill.



Figure 5: Private wholesaler with bags of mustard seeds.

6. Retailers play a critical role in ensuring the mustard products reach to the customers. They operate in small, medium, and big locations across the district. Nowadays big retail store players are also operating the business of selling mustard value added products such as oil. Both women and men are retailing, yet it is largely male dominated.

7. Government Mandi are organised market places that help farmers to sell their products. The Government fixes the minimum support price for all crop produced and crops are traded through an auction system. However, only between 10 and 15% farmers have access to the auction platform to enjoy the minimum support prices. Mostly big farmers and men access these platforms. The Government decides minimum support prices every year.

8. Commission Agents in local mandi play the role of aggregation and facilitate the marketing of mustard. They are all men. They provide ply jute bags for farmers to transport the mustard. They charge 2% of the transaction mostly. They also provide the loans to farmers for production and they influence the market ecosystem.

Clearly, very strong social norms put women in an inferior position as compared to men, who dominate the monetary parts of the value chain. It is hard to initiate changes through quota, regulations and rules, as most of the transactions are in the informal sphere. This is illustrated in the actor map below, in which actors are placed on a scale from informal to formal with colour-coding for gender dominance.

9. The **Women Farmer Producer Company (WFPC)**, shown in the actor map, is an exception. The NGO Manjari Foundation supported the development of this company in Dholpur to promote the empowerment of rural women. It is based on fostering collectivization, encouraging women to form cooperatives and self-help groups, allowing them to pool resources, share knowledge, and collectively bargain for better prices and resources. The WFPC has become an important stakeholder for women farmers to claim their space in the value chain by accessing inputs, technology, credit services, and markets. In the region, 2,000 women farmers are organised into the producer company. In 2020–2021, the WFPC conducted business worth INR 0.63 Cr. and procured 114,995 kg of mustard. While in 2021–2022 the business fetched INR 2.93 Cr. and procured 502,495 kg of mustard³. The WFPC have now also established a mustard oil expelling unit, with which the WFPC processes mustard and making oils and mustard cake selling the animal feed/ cake directly to farmers and the oils to consumers in both rural and urban areas. The WFPC sells mustard oil through **Reliance Retail chain** one of the biggest retail chains in India. This helps women farmers to earn additional incomes.



Figure 6: Aggregation of mustard seeds at the market.

Box 3: Indications of growth of the WFPC

| Year | Procurement (KG) | Average Rate to Farmers (INR) | Business (CR) |
|---------|------------------|-------------------------------|---------------|
| 2020–21 | 114,995 | 55.28 | 0.63 |
| 2021–22 | 502,370 | 58.39 | 2.93 |



Figure 7: Women members cutting-edge value addition equipment at Producer Company plant in Dholpur.

³ Data source Apni Saheli Producer Company, Dholpur, Raj.

The WFPC is dedicated to supporting farmers throughout the production, value addition, and marketing processes. Operating on a membership system, WFPC procures mustard from farmers, subsequently processing it at their plants to create mustard oil and cattle feed. Through meticulous packaging and branding, they ensure high-quality products reach the market. This integrated approach not only empowers women farmers but also enhances the overall agricultural value chain. By streamlining production and value addition processes, WFPC contributes to increased efficiency and profitability for its members. Moreover, by directly engaging in marketing, they establish a stronger presence in the market, fostering trust and recognition among consumers.

Contributions to food system outcomes

The mustard Value Chain in Dholpur shows many different food system outcomes. Women-owned chain can be distinguished within a larger male-dominated value chain. In terms of social equity related outcomes in the food system – the focus of this case study –, the overall mustard chain, including all the informal actors, reinforces gender inequality and sub-ordination of women. This starts from farmer households, in which women are regarded as a source of labour and men control the income.

The economic outcomes are highly skewed in favour of men. This is so throughout the chain, although it does not mean that all men are treated equally. Men are also excluded based on their socio-economic status, identity and background, for example by commission agents, who only service a relatively small elite.

The women farmer producer company is a gamechanger in contributing to gender equality in accessing inputs, technologies and knowledge, and gender equitable benefits.

What if?

The case of the Women Farmer Producer Company can be reflected upon with different scenarios:

- **What if** no WFPC existed? Would the monetary part of the value chain still be only controlled by men? Rajasthan has one of the highest rates of crimes against women in the nation. Gender inequality in Rajasthan is at such a high level that without external interventions it is not likely that women would find their space in value chains like mustard.
- The WFPC is based on self-help groups. As suggested by Kumar et al. (2021) and others, the impact of self-help group-based initiatives alone on more deep-seated gender inequalities is limited. **What if** there would be a high investment in creating more companies like the WFPC, creating value chains that run in parallel with the mainstream, male-dominated value chains? Would this go hand-in-hand, or would male-dominated businesses sabotage these companies to compete them out of the business?
- **What if** more privileged women start to dominate the WFPC, excluding marginalised women? As noted by Kumar et al. (2021), poorer women and those who are younger, have small children, belong to smaller households with less labour and hence potentially face a greater opportunity cost of time, are all less likely to participate in SHG-led initiatives.

Challenges and opportunities

The analysis of the value chain actors shows that with the exception of the production stage, the entire value chain is male dominated. Farmers heavily rely on commission agents who facilitate market linkages, provide credit, and impose exorbitant interest rates. Additionally, they charge commissions for marketing activities. The relationship between farmers and commission agents is typically exploitative, yet crucial. As various reports and data reveal that only 6% of farmers receive the minimum support price, leaving the majority without this benefit (Harish Damodaran, October 6, 2020, The Indian Express.). Small-scale farmers face high costs, not only for inputs but also for transportation to access markets, use of carts, vehicles, tractors and small trucks of private vendors market. Women face the additional barriers of not having control of income and not having decision making power. The WFPC provides them the opportunity to enhance their contribution and share in the larger market.

The WFPC required investment in training of women in various aspects, from sustainable farming practices to modern technology adoption, and additional efforts in the formalities of establishing a registered company. Yet, the added value of a registered company as compared to informal self-help groups is that it brings opportunities for support, marketing channels, such as Reliance Retail Chain and establishment of codes of conduct and rules to reinforce the position of women.

Value addition opportunities, such as processing mustard into oil and mustard cake, not only create additional income streams but also add value to their produce, making it more marketable. By recognising women as farmers and enhancing their sense of agency, this initiative instills confidence, pride, and economic independence among rural women, elevating their socio-economic status and contributing to gender equality in rural communities.

What can be done?

In conclusion, this case underscores that sometimes formalisation is the only way for women to be recognised as full actors in a value chain beyond farm work. If both the informal and the formal space is dominated by men, the formal space can also offer possibilities for collective action.

Empowering women through job creation, particularly in value addition and marketing, requires addressing the pressing issues of poverty and gender inequality. It, therefore, needs to go hand in hand with enhancing women's participation in development and enabling them to redefine their identity. This holistic strategy contributes to dismantling systemic barriers, facilitating a more equitable distribution of resources, and fostering sustainable economic development.

Replicating and expanding initiatives, such as the WFPC are good, yet at the same time, the underlying root causes of women's marginalisation and deeper reasons for women to be excluded from the monetary parts of the value chain also need to be addressed. For this, men and the male dominated actors in the mustard value chain also need to be engaged, using the positive experiences of men involved in the households of WFPC members.



Figure 8: Women at the processing plant of the Producer Company promoted by Manjari Foundation.

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