Case Study

A. **Read the following case study based passage carefully.**

Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY- NRLM) is one of the world's largest poverty eradication programmes across the world, being run under the aegis of the Ministry of Rural Development, Government of India. The Mission through its inclusion strategy has mobilised more than 10 crore households into 91 lakh Self-Help Groups (SHGs) and their higher community institutions. These households through the above institutions are being provided capitalisation support to enable them inter-loaning and to connect them to formal financial institutions.

As the mobilisation of poor households into SHGs and financial inclusion has reached saturation levels, the focus has shifted now to creating sustainable livelihoods for the members. Under the livelihood interventions, the stress is on creation of different livelihood models across the farm and non-farm sectors and combinations of them for enhancing the household income in a manner that each household earns at least one lakh rupees in year, i.e., it becomes Lakhpati. In this initiative of Lakhpati Didis, the sub-scheme of Integrated Farming Clusters (IFCs) is playing a critical role.

An Integrated Farming Cluster (IFC)comprises two to three (this may change depending on the State) adjoining intervention villages covering about 250-300 households. These households are supported with improvement in two to three livelihood options (farm and non-farm) with strong backward and forward linkages. The IFC strategy lays focus on landless, leased- in-land farmers, rain-fed farmers and introduces a more comprehensive approach to provide an end-to-end solution to the livelihoods of the poorest for income enhancement. The approach ensures each targeted household has a basket of income sources to provide regular income stream throughout the year. The process comprises production and processing/value addition within the cluster through asset creation, skilling the producers to enhance productivity, and importantly, ensuring access to credit at affordable rates. The access to market and access to improved technologies are a few critical challenges that are being addressed in this approach.

The IFC focuses in those areas of Mission where the social mobilisation and financial inclusion processes have reached saturation and initial livelihood initiatives related to production and productivity are well grounded. The approach is to ensure that each targeted household has a basket of regular income sources throughout the year. It aims to create output consistency and high profitability to protect farmers from the whims of the monsoon and fluctuation in market prices.

An end-to-end strategy is the value chain approach. The objective is to identify and address the critical constraints in a coordinated way, thereby unlocking the potential of the value chain. The process comprises of: (i) Asset Creation for enhancing production and processing/value addition, (ii) honing skills of producers to augment their productivity, (iii) ensuring access to credit at affordable rates and (iv) facilitating access to market and improved technologies. In addition, wherever, a sizable population exists, focus is also placed on small ruminant productivity enhancement, horticultural diversification, and climate-resilient agriculture.

On the front end (value addition and market linkage), the cluster collectivises and aggregates individual produce at the village and/or cluster level through small Producers' Collectives like Producers Groups (PGs). These PGs are informal institution that aggregate the individual produce, thus reducing the transaction cost of primary value addition and market linkages. In more extensive geography, these small producers' collectives may be federated into Producers Enterprises for larger aggregation, secondary value addition/processing, packaging, labelling, and market linkage/marketing directly and/or through partnership.

To create enabling environment a tripartite MoU was signed between Indian Council of Agricultural Research (ICAR), RCRC (Conglomerate of Civil Society Organizations), and DAY-NRLM in 2021 whereas the ICAR is the technical partner, and RCRC through its multiple partners facilitates implementation. The program was launched in December 2021 at Ranchi, Jharkhand. In the 1st phase, 400 such IFCs were allocated to 13 States supported under World Bank funded National Rural Economic Transformation Project (NRETP) with a total duration of 3 years.

On the basis of your understanding answer the following questions:

1. Which of the following is the main objective of the DAY-NRLM Mission's livelihood interventions?
   - A) To increase the number of SHGs.
   - B) To create sustainable livelihoods for SHG members.
   - C) To reduce the number of households in the mission.
   - D) To increase financial inclusion.

2. What is the role of Integrated Farming Clusters (IFCs) in the DAY-NRLM Mission?
   - A) To create new Self-Help Groups (SHGs).
   - B) To improve landless farmers' income through diversified livelihood options.
   - C) To provide direct financial aid to households.
   - D) To promote the use of technology in farming.

3. Why does the IFC strategy place emphasis on landless, leased-in-land farmers, and rain-fed farmers?
   - A) They have the highest potential for income generation.
   - B) They face the greatest challenges in securing regular income.
   - C) They have the largest landholdings.
   - D) They are already wealthy and need less support.

4. What is the significance of the tripartite MoU signed between ICAR, RCRC, and DAY-NRLM?
   - A) It ensures direct funding from ICAR.
   - B) It establishes a partnership for technical support and implementation.
   - C) It increases the number of SHGs in the region.
   - D) It focuses solely on horticultural diversification.

5. What does the value chain approach in the IFC strategy focus on?
   - A) Only on increasing production.
   - B) On providing a complete solution from production to market linkage.
   - C) On reducing the number of SHGs.
   - D) Only on improving access to technology.

6. Why are small Producers' Collectives like Producers Groups (PGs) important in the IFC model?
   - A) They reduce the transaction cost of value addition and market linkages.
   - B) They provide direct loans to farmers.

- C) They only focus on non-farm activities.
- D) They replace SHGs entirely.

7. What challenge is being addressed by focusing on small ruminant productivity enhancement, horticultural diversification, and climate-resilient agriculture in the IFC approach?
   - A) Lack of financial inclusion.
   - B) Inconsistent income streams for households.
   - C) Poor access to credit.
   - D) Decreasing SHG membership.

8. In the context of the passage, what does the term "mobilised" most closely mean?
   - A) Encouraged
   - B) Gathered into action
   - C) Educated
   - D) Provided financial aid

9. What is the meaning of "end-to-end solution" as used in the passage?
   - A) A solution that only focuses on starting activities.
   - B) A solution that covers all stages from beginning to end.
   - C) A solution that deals only with financial inclusion.
   - D) A solution that focuses on market linkage alone.

10. Assertion (A): The IFC strategy includes access to markets and improved technologies as critical components.

    Reason (R): The strategy aims to create consistent output and high profitability to protect farmers from market fluctuations.

   - A) Both A and R are true, and R is the correct explanation of A.
   - B) Both A and R are true, but R is not the correct explanation of A.
   - C) A is true, but R is false.
   - D) A is false, but R is true