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Palash: From Commodity to Brand by Creating Markets to Empower Rural Women

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Palash: From Commodity to Brand by Creating Markets to Empower Rural Women

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Introduction

Despite various initiatives by the Government of India aimed at eradicating poverty, a truly transformative approach has remained elusive. Many programs have focused on providing livelihoods, but the challenge has always been to ensure sustainability, market access, and financial independence for marginalized communities. Realizing that individual efforts often fall short in breaking the cycle of poverty, the focus shifted toward collective empowerment—bringing together rural women into organized groups that could collectively navigate economic challenges, access financial resources, and strengthen

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their bargaining power. The central dilemma is how to create sustainable and scalable market-driven enterprises for rural women that can compete with mainstream markets while preserving the social mission of poverty alleviation and empowerment.

This vision led to the establishment of the Jharkhand State Livelihood Promotion Society (JSLPS) under the Deen Dayal Antyodaya Yojana – National Rural Livelihood Mission. By mobilizing rural women into self-help groups (SHGs) and fostering community-driven enterprises, the JSLPS ensures that these collectives are not just producing goods but also branding their efforts to secure better prices in the market. This innovative model transforms local production into a recognized and valued identity, allowing women to move beyond mere subsistence and become active contributors to the rural economy.

At present, 289,000 SHGs, also known as sakhi mandals, have been established in Jharkhand, bringing together a total of 3.2 million women members. Over time, their journey evolved—from being SHG members managing small-scale financial activities to becoming successful farmers and thriving producers. Today, these women are not only engaged in agriculture but are also actively selling their surplus produce in the markets, emerging as budding entrepreneurs who are unlocking new economic opportunities for themselves and their communities.

To further nurture this entrepreneurial spirit and create sustainable income avenues, the government of Jharkhand launched the Palash brand in 2020. This initiative was designed to brand and market the products crafted and cultivated by SHG members, ensuring better market reach and fair pricing. Palash was envisioned as a catalyst for inclusive economic development, empowering rural women by integrating them into mainstream markets and enhancing their earning potential. Through this initiative, SHG women are no longer just producers; they are recognized as entrepreneurs, business leaders, and key drivers of rural economic transformation. As Palash transitions from a grassroots livelihood initiative into a structured, market-facing enterprise, it confronts a core dilemma: How can it maintain cost efficiency, ensure product quality, and compete commercially while preserving its foundational mission of empowering marginalized rural women through inclusive development? This tension between market logic and social purpose shapes many of the organizational, operational, and strategic choices explored in the case. Framing this dilemma at the outset enables readers to evaluate potential solutions using both development and management lenses.

2020: The Genesis of Palash

Recognizing the need to diversify livelihood opportunities beyond agriculture, the government of Jharkhand envisioned an initiative that would empower the SHGs or *sakhi mandals* to explore the nonfarm sector. This strategic shift was aimed at ensuring income stability, particularly during lean agricultural seasons, and mitigating farm-related adversities. By expanding their livelihood portfolio, rural collectives could reduce distress migration and create sustainable economic opportunities. Though SHG members had successfully showcased their agricultural and non-agricultural

products at various fairs and exhibitions across the country, the absence of a distinctive brand limited their market visibility and reach. There was a felt need for an exclusive brand identity—one that could reflect the uniqueness of Jharkhand while enhancing the credibility and marketability of these rural products.

After extensive deliberations involving community stakeholders, state administration, and experts, the name "Palash" was chosen as the official brand to represent the collective entrepreneurial efforts of rural women in Jharkhand. Named after the State Flower of Jharkhand, the Palash tree symbolizes energy, elegance, vibrancy, and uniqueness—qualities that embody the vibrant entrepreneurial spirit of SHG women. The brand Palash was officially launched on 29 September 2020 by the chief minister of Jharkhand, marking the beginning of a transformative journey for rural enterprises. With "farm to plate" and "vocal for local" as its guiding themes, Palash involves rural women entrepreneurs, *palash didis*, at every stage of the product life cycle.

2021: The Growth and Expansion of Palash

The year 2021 was a defining moment for Palash, marking a new phase of strategic growth and expansion. The initiative received a major boost in May 2021, when Kumar of the Indian Administrative Service (IAS) joined as secretary of the Rural Development Department and chairperson of the JSLPS executive committee. From his very first interaction with the Palash team, he emphasized that Palash was not just another brand; it was the lifeline for millions of rural women producers. He envisioned it as a platform that would provide consumers with quality-assured, locally sourced products while simultaneously expanding income opportunities for rural women entrepreneurs, enabling them to break free from poverty and establish economic independence.

Kumar brought a deep understanding of rural economies and cooperative movements. His connection with Jharkhand's tribal and rural communities ran deep, having completed his doctorate in integrated development based on fieldwork conducted in Jharkhand. His experience of working with cooperative models in Gujarat further reinforced his belief that scattered, small-scale efforts needed to be unified under a structured, recognizable brand. His efforts led to the establishment of the first Palash Mart in 2021, creating a dedicated retail platform for the products crafted and cultivated by rural women across Jharkhand.

With the brand gaining momentum, Palash expanded rapidly, successfully marketing 66 products under 25 categories through a growing retail network of 46 Palash Marts across the state. The initiative built a robust back-end infrastructure, establishing 95 packaging units, 92 processing units, 82 collection centers, and 155 manufacturing units to support large-scale production. In October 2021, Palash achieved a milestone in its marketing strategy by signing memorandums of understanding with major e-commerce platforms such as Amazon, Reliance Retail, and Flipkart. This partnership allowed Palash products to enter mainstream online retail markets, making them accessible to a much larger consumer base beyond Jharkhand.

In 2021, Palash ensured compliance with all legal and regulatory requirements, including trademark registration; certification from the Food Safety and Standards Authority of India; and licenses for manufacturing, trading, Goods and Services Tax or GST, and labour laws.

To strengthen Palash's operations and ensure long-term sustainability, Kumar spearheaded efforts to bring professional expertise into the initiative. Several renowned organizations, including PricewaterhouseCoopers (PwC), Evangelical Social Action Forum, Ernst & Young, Grant Thornton LLP, Pipal Tree Foundation, The/Nudge Institute, Trickle Up, Oxford Policy Management, and Women on Wings (WoW) were onboarded to provide strategic planning, management consultancy, and market linkages. With their involvement, Palash evolved into a structured, scalable, and professionally managed brand, equipped to compete in mainstream retail markets.

As Palash continued to scale up, its product portfolio expanded beyond agricultural and daily-use products such as mustard oil, rice, *arhar dal* (pigeon pea), soap, and tamarind cakes. A significant milestone in 2021 was the launch of Adiva jewelry, a sub-brand of Palash dedicated to tribal and handcrafted jewelry. This initiative was conceived under the leadership of Ritu, a young IAS officer, who, during her field visits, recognized the immense potential of traditional tribal jewelry crafted by local artisans. After discussions with Kumar, Adiva was launched on 4 November 2021 with the tagline "Wear the Tradition." Within just 6 months, Adiva recorded sales of over $18,000 and received collaboration interest from five jewelry brands, including Tanishq and Amrapali, indicating strong market receptivity. Notable personalities and brands—including Romi Bhatia (wife of Kapil Dev, the cricketer), Tanishq, Amrapali (owned by Anushka Sharma, a popular Indian actress), Sharmila Basu Thakur (former editor of *Sananda* magazine), and Isha Singh (a renowned handicraft jeweler from Nairobi, Kenya)—showed keen interest in collaborating with Adiva, elevating the brand to both national and international prominence.

By the end of 2021, Palash had achieved a remarkable turnover of $1.5 million, reflecting its growing impact on the rural economy. What started as a vision for empowering women through branding and collective entrepreneurship had evolved into a thriving enterprise with distribution across 46 retail outlets and listings on major e-commerce platforms such as Amazon, Flipkart, and Reliance Retail, indicating significant market penetration.

2022: The Digital Transformation and Market Expansion of Palash

The year 2022 marked a watershed moment for Palash, ushering in an era of technological advancement, structural refinement, and market expansion. Following the departure of Ritu, the leadership baton was passed to Ravi, a young and dynamic IAS officer with an extensive IT background. He had previously worked with Tata Consultancy Services, Texas Instruments, and Infosys. With a deep understanding of digital ecosystems and supply chain management, Kumar recognized the need for a dedicated IT platform that would bring greater efficiency, transparency,

and accountability to Palash's operations. Taking a hands-on approach, he personally spearheaded the design and development of an exclusive IT-enabled platform, revolutionizing inventory management, transaction tracking, and operational workflows. This digital integration not only streamlined logistics and financial processes but also facilitated real-time monitoring, enabling the organization to function with unprecedented precision and responsiveness.

Building on his strategic vision for Palash, Kumar established a key partnership with Women on Wings (WoW), a Netherlands-based organization specializing in rural enterprise mentoring (WoW 2022). The collaboration led to targeted workshops on branding; marketing strategy; human resources structuring; and strengths, weaknesses, opportunities, and threats (SWOT) analysis (Annex 1). Internal assessments reported a 25% improvement in business planning capabilities, while refined market positioning contributed to a 30% rise in sales inquiries from new retail and online channels in the following quarter. As Kumar noted, "These workshops equipped our teams with the capabilities and clarity needed to compete confidently in mainstream markets."

India's rural market remains largely untapped, offering significant potential for quality-driven products. To capitalize on this opportunity, a comprehensive consumption survey was launched to analyze demand across Jharkhand's 3.45 million rural households, guiding Palash's expansion strategy. By integrating rural consumers into formal supply chains, the initiative ensured wider access to high-quality Palash products, strengthening local economies. This strategic move not only fostered self-reliant rural enterprises but also aligned with the national vision of *Atma Nirbhar Bharat* (or Self-Reliant India), driving progress toward a *Viksit Bharat* (Developed India).

To further optimize production efficiency and leverage economies of scale, the One Cluster–One Product (OCOP) model was conceptualized under Kumar's leadership. A statewide cluster identification exercise, conducted in June 2022, mapped region-specific production hubs, facilitating specialization of each geographic cluster in a particular product, thereby enhancing supply chain efficiency and reinforcing brand consistency.

Palash also expanded its footprint into Jharkhand's most economically vulnerable districts, including Pakur, Lohardaga, West Singhbhum, Latehar, Sahebganj, Simdega, Khunti, and Gumla. By setting up microenterprises focusing on indigenous and nutritionally rich products such as *lobia* (cowpeas) and pearl millet, the initiative empowered economically marginalized households by enabling sustainable livelihoods and strengthening market linkages. Complementing these efforts, over 2,800 community cadres (Community Resource Persons for Enterprise Promotion) underwent specialized capacity-building programs in business planning, financial literacy, and enterprise management—equipping grassroots entrepreneurs with the skills and knowledge needed to sustain and scale their ventures. To strengthen business acumen, seasoned entrepreneurs and industry experts were empaneled as mentors, providing firsthand insights, operational guidance, and market intelligence to emerging rural business owners.

To improve enterprise financing, Palash facilitated regular State-Level Banking Sub-Committee meetings focused on rural credit access.

Recognition and Market Impact

Palash's transformative journey has earned national and international recognition, reinforcing its impact on rural enterprise. Jharkhand secured First Prize for Natural Food Products at SARAS Ajeevika Mela 2022, while Shobha Devi, a Palash entrepreneur, was honored as a "*Lakhpati* Entrepreneur" at International Women's Day celebrations at Vigyan Bhawan, symbolizing grassroots economic empowerment. Participation in Surajkund SARAS Mela and the Indian International Trade Fair 2021–2022 further elevated brand credibility and expanded market reach. These milestones cement Palash's role as a pioneering force in rural enterprise development and collective entrepreneurship.

2023: Addressing Strategic Dilemmas and Operational Challenges

As Palash grows as a trusted rural enterprise brand, key operational challenges and policy dilemmas have surfaced, demanding strategic interventions (Kumar 2021). Ahead of the annual general meeting, Chair Kumar identified six critical issues requiring urgent resolution to sustain Palash's long-term competitiveness and market presence.

Quality Control Challenges

Ensuring standardization and quality control remains a major challenge for Palash, particularly for agricultural and food products that vary due to regional differences in soil conditions, moisture levels, and processing methods. The decentralized nature of production leads to inconsistencies in size, texture, and chemical usage, impacting consumer trust and brand credibility. Additionally, the short shelf life of edible products (15–25 days) makes maintaining freshness and market viability difficult. A structured overview of supply chain challenges, root causes, and corresponding interventions is presented in Annex 2. While a state-level testing laboratory exists, reliance on outsourced testing is costly and time-consuming, and the absence of district-level facilities further hampers compliance with food safety standards and timely quality assurance.

Packaging Challenges and Cost Constraints

Balancing esthetics, durability, and affordability in packaging remains a challenge for Palash, as premium designs with glossy, zippered, and hologram-printed materials increase costs. While 23 decentralized packaging centers exist, their capacity is low, and the packaging quality does not meet commercial industry standards. Additionally, natural product packaging requires specialized techniques to preserve freshness without relying heavily on synthetic preservatives. However, access to advanced packaging technology—developed by the Central Food Technological Research Institute, Bengaluru—is limited due to private commercialization, making cost-effective solutions harder to implement.

The Pricing Dilemma: Balancing Affordability and Revenue

Palash's cost-plus pricing model, with a markup of 8%–18%, ensures cost recovery but does not necessarily optimize revenue generation or align with market demand dynamics. The absence of data-driven pricing strategies, such as price elasticity of demand studies and price sensitivity analysis, makes it difficult to determine competitive pricing and uphold affordability. Additionally, high packaging and transportation costs further limit pricing flexibility, as premium packaging and decentralized distribution add to overhead expenses. Without benchmarking against competing brands and an optimized supply chain, Palash risks overpricing its products, reducing sales, or underpricing them, limiting revenue potential.

The Marketing Channel Dilemma: Rising Costs and Consumer Impact

Palash faces high marketing costs, especially on e-commerce platforms like Amazon and Flipkart, which impose processing and maintenance fees of 26%–27%, significantly inflating product prices. For instance, mustard oil priced at $2.15 per kilogram (kg) in Palash Marts is sold at $4.30 per kg online, making digital platforms less cost-effective for consumers. While brick-and-mortar Palash Marts eliminate intermediaries, they come with fixed operational expenses such as rent, salaries, and storage costs, further impacting pricing flexibility. This raises concerns about whether technology-driven retail platforms truly enhance accessibility or simply escalate costs. The challenge lies in developing a sustainable marketing model that ensures cost efficiency, market reach, and fair pricing while maintaining Palash's competitiveness.

The Challenge of Retaining Skilled Human Resources

Palash faces a critical challenge in retaining skilled professionals, who are essential for strategic growth and business sustainability. The demand for thematic experts capable of navigating competitive markets and managing business risks is high, yet retaining such professionals in the rural development sector is difficult. Many, after gaining valuable field experience, move on to higher-paying opportunities in other National Rural Livelihood Mission programs or private organizations, leading to a talent drain and disrupting institutional knowledge retention. This constant turnover necessitates repeated training investments, making it imperative for Palash to develop long-term retention strategies to ensure leadership continuity and operational stability.

The Dilemma of Organizational Restructuring

As Palash scales, it must transition into a professional business entity for efficiency, scalability, and sustainability. While effective in mobilizing SHGs, its current structure lacks a streamlined business model, especially given the complexity of stakeholder interactions (Annex 3). To enhance decision-making, production, branding, and market reach, several organizational restructuring options have been considered, resulting in three viable models as potential organizational restructuring models have emerged as viable alternatives (Annex 4).

The first model proposes a three-layered cooperative structure, where village-level SHG organizations elect representatives to form district-level bodies, which then integrate into a state-level federation handling branding, marketing, and operations. Production, grading, sorting, and packaging would be managed at the district level for economies of scale, while the federation oversees strategy and market linkages, mirroring Amul's three-tier cooperative model to ensure collective ownership, participation, and efficiency.

The second model envisions two parallel entities—Palash retail (Commercial) for procurement and sales, comprising farmer producer organizations (FPOs) and SHG-led enterprises, and Apex Palash FPO, an independent management body led by professionals handling strategy, marketing, capacity building, and mentorship. Apex Palash FPO would hold a stake in Palash Retail, ensuring strategic oversight while enabling operational autonomy. Effective coordination between both entities would be key to aligning grassroots production with broader business strategy.

The third model proposes structuring Palash as a state-owned public sector unit (PSU), society, or trust, where government officials oversee operations, supported by a project management unit (PMU) within a government department. This setup would provide institutional backing, policy continuity, and program integration, but may also lead to bureaucratic challenges and inefficiencies typical of government-run enterprises.

A comparative framework summarizing key differences across these three models is provided in Annex 5. Each model presents distinct advantages and challenges, making organizational restructuring a crucial policy dilemma that requires careful evaluation to determine the most effective framework.

The Dilemma of "One Cluster–One Product" Approach

The One Cluster–One Product (OCOP) model was introduced to streamline production, enhance aggregation, and optimize supply chains, yet it has posed challenges in inclusivity and market adaptability. While the approach boosts efficiency and brand recognition, it has excluded producers outside designated clusters, limiting their access to technical guidance, financial resources, and market linkages. Additionally, restricting production to specific clusters has created supply constraints, making it difficult to meet market demands and capitalize on diverse local

resources. To sustain equitable participation and responsiveness, should Palash reassess its cluster boundaries, explore hybrid models, and implement flexible mechanisms that allow for scalability, product diversification, and broader market integration?

2024: Expanding Market Reach and Strengthening Enterprise Growth

The year 2024 marked a phase of rapid expansion and consolidation for Palash, solidifying its position as a leading rural enterprise brand. Rural entrepreneurs participated in 47 SARAS fairs, two India International Trade Fairs, and several major festivals and exhibitions across India, significantly enhancing brand visibility and consumer engagement. This growing presence further reinforced Palash's identity as a trusted and competitive brand in the rural economy.

Palash has also expanded its online presence, with 42 products listed on Amazon and 20 on Flipkart, ensuring broader market access. The E-Saras platform, inspired by Jharkhand's success with Palash and developed by the Ministry of Rural Development (MoRD), has emerged as a key sales channel, featuring 42 Palash products, with demand rising for more. To strengthen production and logistics, MoRD has approved 20 new collectivization centers, providing enhanced infrastructure for rural entrepreneurs.

A significant milestone this year has been Palash's transition toward an independent enterprise, with a board of directors selected at the annual general meeting. Additionally, the launch of the Didi Palash Café retail chain, in partnership with the Indian Hotel Management Institute, Ranchi, Jharkhand, has added a new dimension to its enterprise model. Financially, Palash has crossed $1.8 million in sales, including a record $600,000 at the SARAS Mela in Ranchi in December 2024, highlighting continued market acceptance and sustained revenue growth.

Social and Economic Outcomes

The Palash initiative has emerged as a catalyst for rural transformation, driving both social and economic progress. Economically, it has empowered over 3.2 million rural women, enabling them to transition from subsistence-based livelihoods to structured entrepreneurial ventures. By branding local products, expanding retail networks, and integrating SHGs into national markets, Palash has enhanced income stability and market access. The initiative's presence on e-commerce platforms and corporate supply chains has further expanded market reach, advancing fair pricing and strengthening consumer engagement. As Kumar noted, "Palash has not only provided economic opportunities but has also instilled a sense of pride and ownership among these women."

Specifically, the restructuring models and initiatives have led to:

- A 150% increase in the number of rural women engaged in entrepreneurial activities
- A 200% increase in sales of Palash products over 3 years

- A 40% improvement in back-end supply chain efficiency through IT systems
- A 250% increase in revenue since the adoption of the OCOP model
- A 30% improvement in the retention rate of trained community resource persons through mentorship
- Direct employment for 17,528 individuals in packaging and logistics.

Socially, Palash has elevated women's status in households and communities by fostering financial independence, leadership, and collective bargaining power. It has also curbed distress migration by diversifying livelihood opportunities, particularly through the OCOP model. Additionally, Adiva jewelry has helped preserve tribal craftsmanship while providing sustainable income for artisans.

Economically, Palash has created a self-reliant rural economy, reducing dependency on middlemen and ensuring fair market participation for SHGs. By strengthening rural value chains, the initiative has increased local employment opportunities and improved financial inclusion through microcredit linkages. Democratically, Palash has fostered grassroots governance, with SHG members actively participating in decision-making processes, cooperative management, and community leadership. The model has strengthened collective agency, empowering rural women to advocate for their economic and social rights and contributing to a more inclusive and participatory rural economy.

Future Readiness and Strategic Road Map

Palash is strategically positioned to evolve into a market-responsive, self-sustaining enterprise that delivers both economic value and social impact. Realizing this vision will require significant strengthening of supply chain operations, including streamlined procurement systems, decentralized logistics, and last-mile delivery frameworks that can support scale without compromising reach or quality.

Product standardization remains critical. Addressing quality inconsistencies through investments in advanced packaging, decentralized testing labs, and partial process automation will enhance compliance, extend shelf life, and preserve brand integrity. Simultaneously, pricing mechanisms must transition from cost-plus models toward dynamic, data-driven strategies informed by demand forecasting, competitive benchmarks, and price elasticity.

To deepen and diversify market presence, Palash must pursue product innovation, institutional partnerships, and selective entry into international markets. Strengthening digital infrastructure—particularly direct-to-consumer platforms—will be key to reducing reliance on third-party marketplaces and improving margin retention. At the distribution level, leveraging public distribution system networks, corporate supply chains, and organized retail channels will be essential to sustain demand and scale market access.

On the financial front, resilience will depend on access to enterprise loans, impact investments, and innovative financing mechanisms. Structured engagement through the State-Level Banking Sub-Committee will be critical to expanding credit access for rural entrepreneurs. Additionally, capital from corporate social responsibility funds, multilateral agencies, and development finance institutions can support infrastructure, branding, and capacity-building initiatives.

Governance innovation will play a defining role in Palash's future. Whether through a federated cooperative, a dual-entity enterprise, or a professionally managed public sector trust, institutional design must balance operational autonomy with grassroots ownership. Capacity-building interventions in leadership, business planning, and digital literacy will further empower rural women to lead within a competitive, rapidly evolving market landscape.

Ultimately, Palash's trajectory underscores a broader strategic dilemma: How can grassroots, women-led enterprise scale competitively without compromising its foundational mission of empowerment, equity, and collective ownership? This challenge of marrying social purpose with market logic lies at the heart of many enterprise-led development models in emerging economies.

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The following annexes provide analytical tools to support classroom discussion.

Annex 1: Strengths, Weaknesses, Opportunities, and Threats Analysis of Brand Palash

Strengths	Weaknesses	Opportunities	Threats
Positioned as a natural, local Indian brand	Limited processing and packaging infrastructure; risk of inconsistent product quality due to decentralization	Potential to dominate local organic market	Rising competition from private organic brands with superior digital reach and logistics
Institutional support from SHGs, village organizations, and CLFs with deep community engagement	Dependence on outsourcing for quality assurance	Untapped rural and urban premium segments	Increasing platform fees and algorithmic changes on e-commerce channels may reduce online visibility and margins.
Portfolio of naturally sourced, traditionally processed products aligned with health-conscious markets	Insufficient skilled human resources	Expansion into e-commerce and institutional buyers	Regulatory or policy shifts impacting SHGs or cooperative-led enterprises
Government policy and logistical backing	High cost of collectivization; compliance complexities and certification costs	Increasing consumer demand for organic, chemical-free, and traceable products	Failure rate of new products in FMCG segment

CLF = Cluster-Level Federation, FMCG = fast-moving consumer goods, SHG = self-help group.

Source: Author.

Annex 2: Supply Chain Challenge Matrix

Supply Chain Component	Key Challenges	Root Causes	Palash Intervention (if any)
Quality control	Inconsistent quality due to decentralized production and lack of district-level labs	Reliance on manual and outsourced testing; uneven soil and crop variation	State-level lab in place; need for district-level rollout
Inventory management	Poor visibility of stock across SHGs, collection centers, and marts	Absence of real-time IT systems at local levels before 2022	IT-based inventory and transaction system rolled out in 2022
Logistics and distribution	High transportation costs due to rural dispersion and lack of aggregation	Inadequate aggregation models prior to OCOP; poor route optimization	OCOP model implemented to centralize procurement and reduce cost
Packaging	Non-uniform packaging; esthetics vs. cost conflict; limited access to advanced technology	Limited technical know-how; CFTRI-developed packaging not accessible	23 packaging centers set up; branding partners brought in (e.g., PwC)
Shelf-life management	Short shelf life of food products (15–25 days) affecting marketability	Use of natural preservatives only; decentralized processing delays	Ongoing strategy to access scientific packaging technology
Demand forecasting	Lack of demand analytics leads to stockouts or overproduction	No market intelligence tools; limited sales data integration	Consumption survey launched in 2022 across 3.45 million households, with initial integration into quarterly stock planning cycles
Pricing flexibility	Rigid cost-plus pricing does not reflect market demand or competition	Lack of PED study or data-driven price modelling	Cost-plus pricing under review; elasticity-based dynamic pricing model under development

CFTRI = Central Food Technological Research Institute, OCOP = One Cluster–One Product, PED = price elasticity of demand, PwC = PricewaterhouseCoopers, SHG = self-help group.

Source: Author.

Annex 3: Stakeholder Map and Role Distribution

Stakeholder Group	Primary Role in Palash Ecosystem	Influence on Strategic Decisions	Engagement Risk
SHG Members / *sakhi mandals* / *palash didis*	Production, quality maintenance, entrepreneurship, packaging	High: Central to production and brand ownership	Low: Core ownership and alignment
Village organizations and CLFs	Local governance, mobilization, feedback relay	Medium: Governance input and mobilization	Low
FPOs	Aggregation, procurement, cluster-level production coordination	High: Key to supply chain efficiency and OCOP implementation	Low
Retail consumers	Market demand, price feedback, quality expectations	Medium: Indirect influence via market trends	Medium
E-commerce Platforms (Amazon, Flipkart)	Sales channel and brand visibility expansion	Medium: Affects pricing, margins, and logistics	High: Risk of margin erosion and algorithmic de-prioritization
Private retail and distribution partners (e.g., Tanishq, Big Basket)	Branding collaboration, retail channel for premium products	Medium: Shapes consumer perception and drives premium market growth	Medium risk of alignment drift with e-commerce platforms if margin pressures rise
Professional partners (PwC, Grant Thornton, WoW)	Strategic planning, branding, digital transformation support	High: Shapes professional direction and scalability	Low
Government departments (JSLPS, MoRD)	Funding, policy support, administrative oversight	High: Steers policy, funding, and structural models	Low
Mentors and CRPs	Capacity building, field mentoring, enterprise scaling support	Medium: Operational continuity and grassroots mentoring	Low: Embedded within SHG structure

CLF = cluster-level federation, CRP = community resource person, FPO = farmer producer organization, JSLPS = Jharkhand State Livelihood Promotion Society, MoRD = Ministry of Rural Development, OCOP = One Cluster–One Product, PwC = PricewaterhouseCoopers , SHG = self-help group, WoW = Women on Wings.

Source: Author.

Annex 4: Comparative Grid: Cooperative vs. Farmer Producer Organization vs. Public Sector Unit Models

Feature	Cooperative Model	FPO Model	PSU Model
Ownership structure	SHG-led with elected representation	Farmer/SHG shareholder-based ownership	State/government controlled
Legal form	Federation under state cooperative laws	Section 8 company or private limited company	Society, trust, or state-owned enterprise
Market adaptability	Medium: Depends on collective decision-making	High: Flexible and market-facing	Low: Rigid and bureaucratic
Scalability	Medium: Challenged by multilayer governance	High: Adaptable with investor engagement	High: Institutional backing and funding
Community participation	High: Direct grassroots involvement	Moderate: Depends on member shareholding	Low: Top-down administration
Professional management	Limited: Mostly internal governance	High: professional CEO/ board structure possible	Medium: PMU or deputed officers
Policy integration	Medium: Linked through cooperative policies	Medium: Indirect policy leverage	High: Strong alignment with state schemes
Financial autonomy	Low: Relies on pooled SHG contributions and subsidies	Medium: Eligible for credit/investment schemes	Low: Dependent on budgetary allocation
Feasibility in Palash scenario	Three-tier cooperative structure (proposed)	Apex Palash FPO model (proposed)	Department-led PSU/ trust (proposed)

CEO = chief executive officer, FPO = farmer producer organization, PMU = project management unit, PSU = public sector unit, SHG = self-help group.

Source: Author.

Annex 5: Operational Implications of Proposed Governance Models

Model	Structure Description	Strengths	Challenges	Time Horizon
Three-Tier Cooperative Model	Village-level SHGs elect representatives to district-level federations, which form a state-level apex body managing branding, strategy, and marketing.	Ensures collective ownership, community participation, and scalability; inspired by the Amul model	Risk of slow decision-making; coordination complexity at multiple levels	Long gestation (3–5 years)
Dual-Entity Model	Two parallel entities: Palash Retail (FPOs and SHGs for procurement/sales) and Apex Palash FPO (professionals for strategy and marketing)	Separates grassroots production from strategic functions; enables professional efficiency with local autonomy	Potential conflicts between commercial and social missions; governance ambiguity.	Medium (2–3 years with investment)
Public Sector Unit () Model	State-run unit supported by a PMU within the Rural Development Department with government control	Offers policy support, continuity, and faster access to government schemes	Possible bureaucratic inefficiencies; limited entrepreneurial flexibility	Immediate rollout (within 1 year), but less agile

FPO = farmer producer organization, PMU = project management unit, SHG = self-help group.

Source: Author.

Study Questions

1. How does branding contribute to the economic empowerment of rural women in the Palash initiative?
2. What are the key challenges in ensuring market access for SHG-produced goods, and how can they be addressed?
3. How do decentralized production and distribution impact quality control and standardization for Palash products?
4. What are the potential advantages and limitations of the current cost-plus pricing strategy, and how might data-driven pricing improve revenue maximization?
5. Among the three proposed organizational restructuring models for Palash (Three-Layered Cooperative, Two-Parallel Organizations, and State-Owned Public Sector Unit), which model would be most effective for long-term sustainability, and why?
6. Given the high commission costs of e-commerce platforms (such as Amazon and Flipkart), how should Palash balance between online and offline sales channels to ensure affordability for consumers while maintaining profitability?
7. The One Cluster–One Product approach has helped streamline production but has also created inclusivity issues for farmers outside designated clusters. What strategies could be implemented to balance specialization with broader participation?
8. Given the high attrition rate of skilled professionals in rural development initiatives, what incentives or policies could be introduced to retain talent in organizations such as Palash?

Cover photo: Aruna Devi holding Palash Products.

Asian Development Bank Institute
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