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Case study on producer enterprises

October 2026

Case study

Social protection



3ie International Initiative for Impact Evaluation

ग्रामीण विकास मंत्रालय
भारत सरकार
MINISTRY OF RURAL DEVELOPMENT
GOVERNMENT OF INDIA

AAJEEVIKA

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Finally, we would like to thank Neelakshi Mann, and Ritwik Sarkar for their invaluable support and guidance throughout the preparation of this report.

Key Highlights

Women-led Producer Enterprises (PEs) promoted under the National Rural Livelihoods (NRLM) Mission are emerging as promising models for collective action, delivering measurable economic value and driving women's financial empowerment. The three NRLM PEs selected for this case study are examples of enterprises that have demonstrated this potential within the short span of three to four years.

Sound Business Models

1. Rapid Membership Growth: PEs have achieved significant mobilisation, organising 67,618 women producers across three states (Uttar Pradesh, Madhya Pradesh, and Rajasthan) into formal economic institutions.
2. Revenue Generation and Profitability: The enterprises are demonstrating strong commercial viability and good fundamentals for future growth.
3. Consistent Supply Chains and Price Realisation: Through collective procurement and quality-based pricing, PEs have successfully delivered better farm-gate prices while reducing dependence on informal traders. Strong, sustained linkages with institutional buyers—ensure reliable offtake and market stability.

Models for Empowerment

4. Direct Financial Empowerment: The implementation of timely, direct digital payments into women's bank accounts has profoundly increased their financial independence, evidenced by the creation of over 8,045 "Lakhpati Didis" within one of the PEs we studied.
5. Elevated Visibility and Leadership: Women's active participation as Board members and in enterprise governance has elevated their leadership within their communities, transforming them from informal labourers into recognised agricultural producers and decision-makers.
6. Emerging Business Acumen: Women are stepping into entrepreneurial roles (such as Sanchalikas and Sahayikas), managing daily procurement operations, quality testing, and digital inventory, thereby building foundational technical and business skills.

How Growth Was Achieved

7. Crucial Initial Funding: Substantial grant funding (ranging from INR 13.17 crore to 39 crore per PE) from NRLM/NRETP was critical for establishing decentralised procurement centers, processing plants, and chilling infrastructure.
8. Strategic Product Identification: Joint scoping studies ensured market-oriented commodity selection that aligned perfectly with local agro-climatic conditions and market demand.
9. Technical Assistance and Management: Good management practices instituted by NRLM partners, combined with expert capacity building from technical agencies catalyzed early-stage operational efficiency.
10. Digitisation for Efficiency: The deployment of digital supply chains—including ERP systems, moisture meters, and digital quality-testing apps—has guaranteed transparent pricing, reduced intermediary costs, and ensured trust among members.

Barriers to Long-Term Sustainability

11. Value Addition and Margins: Despite strong foundational growth, profit margins remain constrained by a heavy reliance on bulk raw material sales and limited downstream value addition.
12. Advanced Financial Capabilities: While women are highly active in operational governance, their direct involvement in complex financial planning, pricing, and strategic market decisions remains limited, necessitating deeper, targeted capacity building.

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1. Background

PEs are member-owned, formal economic organizations established by farmers and primary producers. Typically registered as cooperatives or producer companies, these enterprises are designed to operate at scale with the intent of achieving economic viability over time. Under the Deendayal Antodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), PEs are promoted preferably with Producer Company status with funding given under Mahila Kisan Sashaktikaran Pariyojana (MKSP), NRLM Innovation Funds and EAPs (Externally Aided Projects) like National Rural Economic Transformation Project (NRETP)[1].

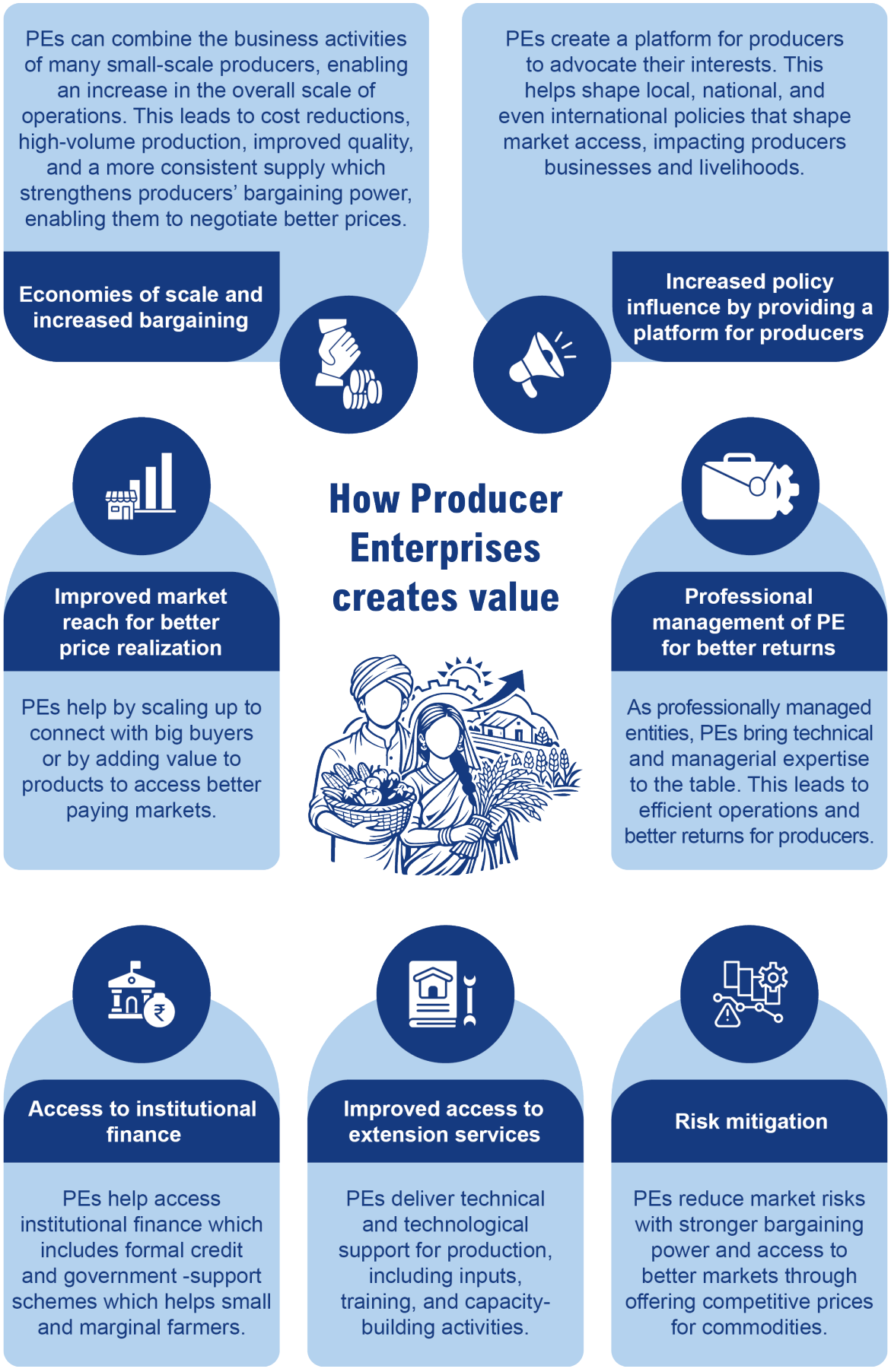
Under NRLM, PEs are envisaged as institutions through which producers—particularly women affiliated with Self-Help Groups—may improve their business margins and incomes. The underlying theory of change emphasizes improved price realization through collective action, opportunities for profit-sharing, and the development of income-generating activities that can potentially be sustained and expanded over time. An additional emphasis is placed on increasing women's participation across different stages of the value chain, with the expectation that formal enterprise structures, combined with institutional support, can enhance both economic returns and producer agency.[2]

This framework positions PEs as intermediaries between small producers and markets, seeking to address constraints related to scale, bargaining power, and access to infrastructure and services. At the same time, the extent to which these objectives translate into durable financial performance and equitable benefit distribution remains shaped by enterprise-level capabilities, market conditions, and the nature of ongoing institutional support.



[1] Guidelines for promotion of Producers' Enterprises Under DAY-NRLM (https://lakhpatididi.gov.in/wp-content/uploads/2024/02/Guidelines_Producer_Enterprise_DAY_NRLM.pdf)
[2] Guidelines for promotion of Producers' Enterprises Under DAY-NRLM, December 13, 2017. https://lakhpatididi.gov.in/wp-content/uploads/2024/02/Guidelines_Producer_Enterprise_DAY_NRLM.pdf

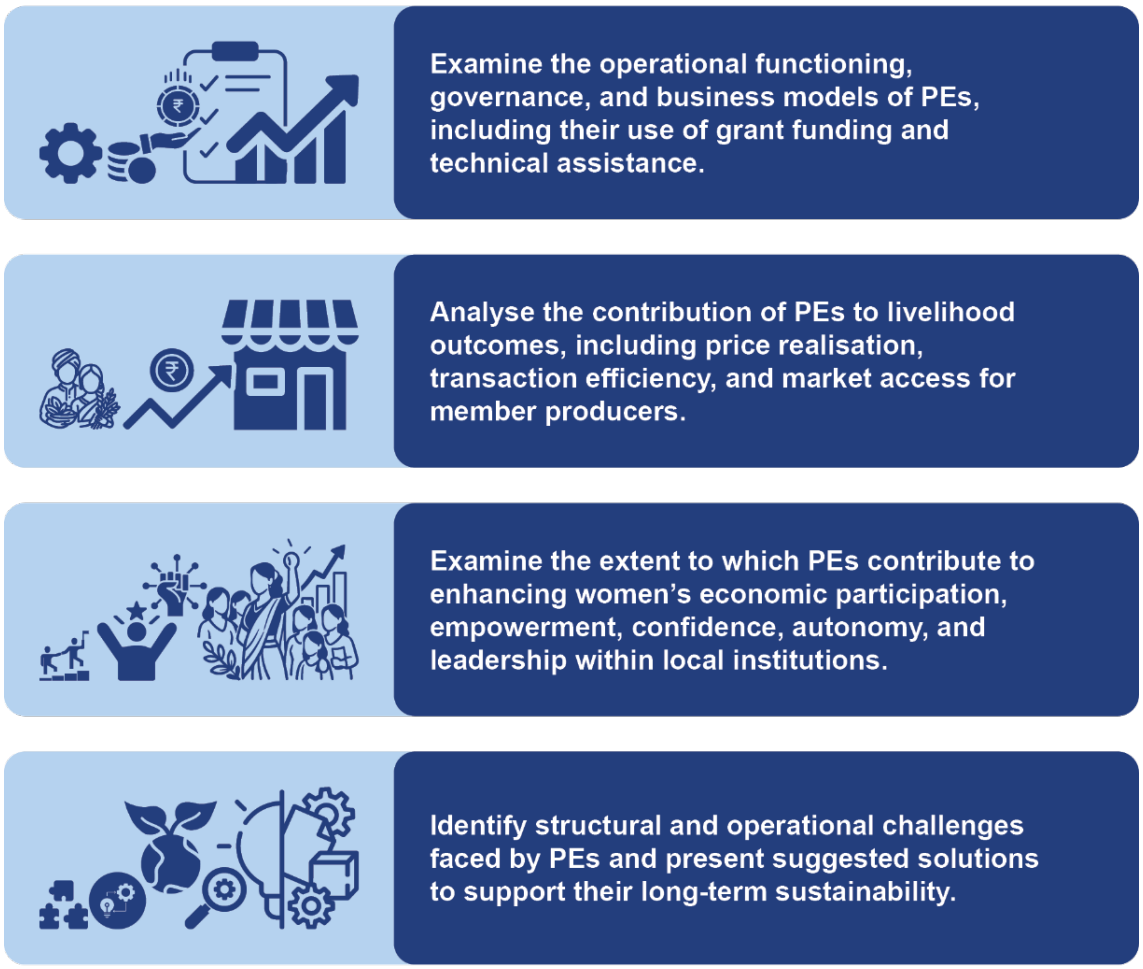
Figure 1: How Producer Enterprises creates value



1.1 Objective of the study

The overall objective of this paper is to present findings on the implementation status of selected PEs supported under NRLM, with a focus on examining the advantages associated with their business models as well as the factors that may constrain their ability to scale. The analysis draws on case studies of three NRLM-supported PEs operating in different agro-economic and institutional contexts to:

Figure 2: Objectives of the Study



Understanding these aspects may be useful for policymakers and implementation partners to bring enhancements to existing practices and replicate success cases.

1.2. Caveats and Limitations of the Study

The findings of this study should be interpreted in light of certain limitations. First, the case study sample is both purposive and selective. The primary objective of the study was to understand Producer Enterprise (PE) operations, business models, and pathways to sustainability. To meet this objective, the Ministry of Rural Development (MoRD) was requested to identify PEs that had been operational for at least three years, as newer enterprises would not yet have sufficient operational experience to assess sustainability. Consequently, the study focuses on a small number of PEs which are still in the nascent phase of growth and do not represent the full universe of PEs supported under NRLM and NRETP.

Second, although NRLM has been supporting PEs for several years, discussions with MoRD indicated that enterprises established around three years ago are at a stage where their growth trajectory can be meaningfully assessed.

In addition, the small number of case study PEs restricts the ability to systematically analyse variations across sectors, geographies, market contexts, and levels of engagement with private-sector actors. The findings, therefore, provide in-depth insights into the functioning of selected PEs rather than a comprehensive assessment of all PEs under NRLM and NRETP.

Finally, the study focused exclusively on Producer Enterprises and did not examine other institutional models or interventions supported under NRLM. As a result, comparisons between PEs and other community-based institutions promoted under the programme are beyond the scope of this analysis. The findings should therefore be viewed as illustrative case-based evidence intended to deepen understanding of PE operations and sustainability rather than as statistically representative conclusions.

1.3 Methodology

The study adopted a purposive sampling approach, selecting cases based on characteristics relevant to the research objectives. The initial sampling frame was drawn from a list of PEs provided by the Ministry of Rural Development (MoRD). Following consultations with MoRD and an assessment of the scope of the study and the functional status of enterprises, three PEs were selected from Uttar Pradesh, Madhya Pradesh, and Rajasthan. These cases were chosen to reflect dairy and farm-based enterprises operating in diverse regional contexts, allowing for comparative insights into rural PEs.

A structured analytical framework was developed to examine key dimensions of enterprise functioning, including institutional background and set-up, funding and revenue streams, capacity-building inputs, product portfolios, and operational challenges. Following this framework, three questionnaires were developed, covering two KIIs and one FGD. Primary stakeholders identified for the study included members of the PE members, Board of Directors, the Chief Executive Officer, and the Marketing Manager. Data collection comprised 4 in-depth key informant interviews with CEO, Marketing Managers and Head of Operations and 3 focused group discussions with Board members and selected enterprise members. In total, seven interviews were conducted across the three states. Informed consent was obtained from the relevant stakeholders of the PEs for the use of their names and financial information in the case study.

All interviews were transcribed and systematically coded using a comprehensive coding framework. The data were organized thematically under key emergent categories, including enterprise structure, operational processes, and perceived advantages and constraints. This approach enabled a detailed and nuanced analysis of cross-cutting patterns and enterprise-specific dynamics.

Based on this process, detailed long-form case studies were prepared for three enterprises: Kashee Dairy in Uttar Pradesh, Satpura Mahila Kisan Producer Company Limited in Madhya Pradesh, and Hadoti Mahila Kisan Producer Company Limited in Rajasthan. Insights drawn from these case studies are synthesized in this report to present a consolidated understanding of the functioning, opportunities, and limitations of NRLM-supported PEs.

2. Findings

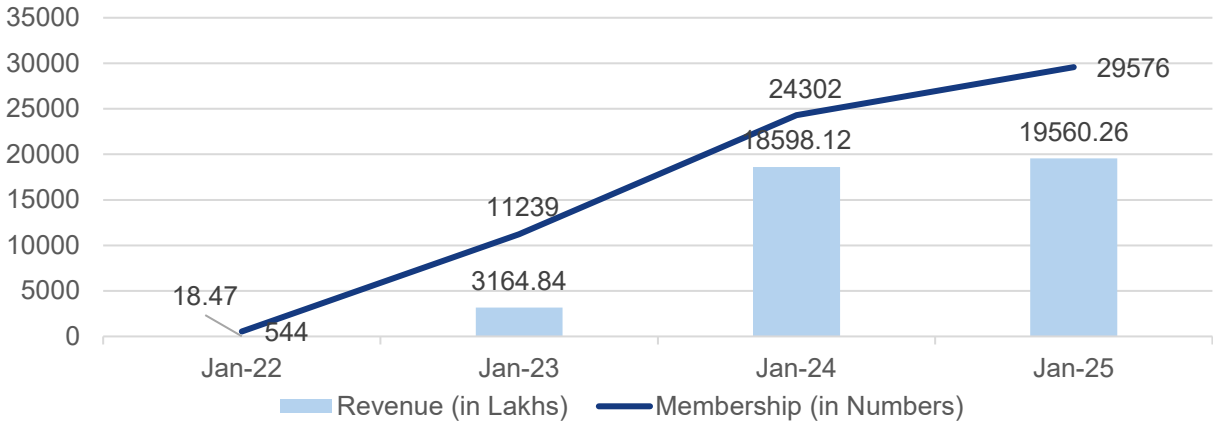
2.1 PE profile

2.1.1 Kashee FPC

Kashee Milk Producer Company was formed on 11 November 2021 and is registered under the Companies Act, 1961. Within four years since its inception, it has grown into a large, women-led organization working across 7 districts, 43 blocks, and more than 1,000 villages. Currently, it has 37,772 members, most of whom are women associated with SHGs, reflecting the strong base the company has built in rural areas. Kashee is run by a 14-member Board of Directors, which includes the CEO and two external expert directors. The FPC currently has 125 staff, out of which 25 work in the office and about 100 in the field, who handle day-to-day operations and member support. The enterprise was set up with funding from NRLM/NRETP, which provided ₹39 crore in different instalments to help establish procurement points, infrastructure and systems. Members contribute through share capital, with each share priced at ₹100, and the company has distributed a dividend of ₹8 per share in both 2023–24 and 2024–25. The one-time membership fee is kept at ₹50 so that women from all backgrounds can join easily. Since its inception, more than 8,000 women associated with Kashee have become Lakhpati Didis, showing the impact of a well-run, community-owned enterprise (Table 1 Appendix).

Figure 3 below shows the revenue and membership growth since Kashee FPC was formed. In just three years of its operation, the number of members under the FPC and its revenue grew substantially from 544 to 29,576 members and from 18.47 lakhs to 19,560 lakhs[3], respectively.

Figure 3: Membership and Revenue Growth Over the Years at Kashee FPC



Key Business Model Elements

Business outputs: Bulk sales of raw milk to Mother Dairy (no independent marketing) amounted to ₹254.68 lakhs in profit from Kashi PE's operations as of March 2025.[4]

Procurement and Supply Chain: The company's milk procurement and supply chain is structured and time-sensitive to ensure the quality of the milk procured. Sahayikas/Sahayaks

[3] Annual Report Kashee Diary (https://www.kasheemilk.com/wp-content/uploads/2025/10/Annual-Report-2024-2025-English.pdf)

[4] https://www.kasheemilk.com/wp-content/uploads/2025/10/Annual-Report-2024-2025-English.pdf

at village-level MPPs conduct initial quality checks (colour, smell, texture, taste) before collection via contracted vehicles on fixed routes, ensuring milk reaches the chilling centre (MCC) within four hours. At the MCC, rigorous testing accepts only compliant milk, which is chilled to 3–4°C for transport to Mother Dairy plants across the NCR, UP, and Bihar, based on weekly demand forecasts, with strict accountability for delays or spoilage.

Digitization: Sahayak Mitra and Kashee E-Dairy apps enable real-time testing, SMS slips to farmers, and bi-monthly digital payments (3rd, 13th, 23rd).

Market: Kashee sells 100% of its milk in bulk to Mother Dairy via contracted tankers, with no direct involvement in retail products. As the Head of Operations noted, supplies go to multiple plants (Etawah, NCR, Pilkhuwa, Motihari, Patna, Hajipur) based on weekly demand projections coordinated with Mother Dairy.

2.1.2 Satpura Mahila Kisan Producer Company Limited (SMKPCL)

The Satpura Federation, registered on 4 November 2020 under the Companies Act 2013, was conceptualized after a maize festival held in Chhindwara in May 2019, which highlighted the potential for producer-led institutions. Following six months of preparatory work and member mobilization, the Federation was formally established and now operates across seven blocks, covering 131 centres and about 402 villages. It primarily undertakes the procurement and marketing of wheat and maize, earning ₹30 lakhs in profit last year from wheat sales at ₹3,300 per quintal, with plans to expand into millet operations. The membership fee is ₹250, comprising ₹50 as the membership charge and ₹200 towards two company shares, and the Federation has started paying dividends of ₹6 per share, though not on a consistent annual basis. Operating under a fully disbursed NRLM budget of ₹13.17 crore, it is managed by a professional CEO and governed by a Board of Directors, supported by administrative and HR teams and block-level Sanchalika didis, following Foundation for Development of Rural Value Chains (FDRVC) standard operating procedures.

Key Business Model Elements

Business outputs: Wheat sales amounted to a profit of ₹30 lakhs last year from wheat sold at ₹3,300/quintal (₹10–20/quintal margin to Adani/ITC/local buyers); millet expansion underway[5].

Procurement and Supply Chain: The procurement process starts with farmers delivering wheat or maize to the Sanchalika's D3C (or farm assessment if needed), followed by cleaning, grading, moisture checks (e.g., ≤14% for maize with auto-deductions), and digital ERP recording of immutable details. Daily prices, set by the CEO and approved by the pricing committee by 6 PM, are shared via WhatsApp/whiteboard and paid within three days; procured grains then move from D3C to warehouse or directly to buyers like Adani/ITC, yielding ₹10–20/quintal margins.

Digitization: ERP ensures transparency with un-editable prices, auto quality deductions, and farmer slips.

Market: Satpura does not sell directly to customers; instead, it sells its produce to large buyers such as Adani and ITC. Market linkages are initially provided through institutional support, but the CEO and members must ensure continued adherence to quality standards

[5] The numbers are representative of the information received from the CEO of Satpura PE.

to sustain these sales.

2.1.3 Hadoti Mahila Kisan Producer Company Limited

Hadoti Mahila Kisan Producer Company Limited (Hadoti MKPCL) was established on September 12, 2020, and is registered under the Companies Act 2013. The company operates across Kota and Baran districts, covering 8 blocks and targeting 452 villages, with a network of 108 Digital Commodity Collection Centres (D3Cs). Its membership includes 18,346 women farmers, the vast majority of whom are affiliated with Self-Help Groups (SHGs) under NRLM/SRLM. The company is highly inclusive, with minimal restrictions on membership, welcoming all women farmers. The major commodities included soybean, mustard, and coriander, as outlined in the Detailed Project Report (DPR). Hadoti MKPCL is governed by a Board of Directors (7 members) led by a CEO, with structured verticals for procurement, plant management, and finance. The enterprise procures produce from women farmers, conducts quality testing at D3Cs, processes value-added products like mustard oil and cake, and markets through both local and online platforms, supported by digital payment and Enterprise Resource Planning (ERP) systems.[6] The company received a grant of ₹16.39 crore from NRLM and SRLM, distributed over three years in a 60:40 ratio (central:state), which was instrumental in setting up infrastructure, covering salaries, and operationalizing activities. Rajeevika (SRLM) played a crucial role in member mobilization, crop selection, and planning interventions, building community trust through dialogues, group meetings, and direct field engagement, despite challenges related to fraud in other companies. Regular training, awareness camps, and skill development programs—organized in collaboration with NRLM/SRLM and the technical support agency—are provided for Board members, staff (including Sanchalikas and APOs), and regular members, focusing on financial management, procurement, and marketing.

Key Business Model Elements

Business outputs: Operates dual verticals—aggregation and resale of raw soybean (adding ₹1.75/quintal margin to procurement cost), and manufacturing mustard into oil [by-product: mustard cake] at a total cost of ₹168/unit (covering crushing, extraction, packing, labelling); approaching break-even with upcoming focus on higher-margin bottled oil sales.[7]

Procurement and Supply Chain: Hadoti's procurement and supply chain is efficient and tech-driven: women farmers deliver soybean, mustard, and coriander harvests to Digital Commodity Collection Centres (D3Cs) for digital weighing, quality checks, and voucher generation via ERP apps. Produce moves in sealed bags to central processing units for value addition (e.g., mustard oil) and quality control, with prices set at or above farm-gate benchmarks from regional mandis for competitive sourcing.

Digitization: ERP/mobile app captures real-time data (weight, farmer ID, price), auto-records quality, and supports offline vouchers (triplicates for PE/farmer/Sanchalika).

Market- Finished products and raw commodities are sold via local buyers, companies, and

[6] Enterprise Resource Planning (ERP) software integrates various enterprise operations into a single unified system. In PEs (PEs), this system digitizes and streamlines procurement through quality checks, weighing, and labeling at procurement, while automating monetary processes at the time of sale to ensure transparency and accountability.

[7] While actual profit figures were not available, the numbers are representative of the information received from the CEO of Hadoti PE.

e-commerce platforms, with a current emphasis on bottled mustard oil.

2.2 Advantages of Producer Enterprise

2.2.1 How Businesses Benefit

Access to NRLM Funding and Institutional Support

Across the three case studies, access to NRLM funding and institutional systems emerges as a foundational enabler of enterprise formation and early-stage scale. All three PEs reported receiving grant support that covered critical capital investments—such as infrastructure, equipment, and digital systems—as well as recurring operational costs, including senior management salaries. This initial financing appears to have reduced entry barriers and enabled enterprises to plan operations at a scale that would have been difficult to achieve through member contributions alone. In Kashee Dairy, for example, grant support was used to establish milk testing machines, laboratory equipment, chilling infrastructure, and office facilities. As the CEO noted, "*NRLM–SRLM provided the funds… all of the primary setups came from them*." Similarly, Satpura PE reported procurement capacities of 1,000–2,000 metric tonnes of millets, with grant resources earmarked for the establishment of a processing plant. These investments suggest that institutional financing under NRLM has played a role not only in operational continuity but also in enabling longer-term planning around scale and diversification.

Beyond financing, institutional support related to enterprise governance and management appears to contribute to operational consistency. All three PEs reported having competitively recruited CEOs and operating within standardized systems. Kashee Dairy follows standard operating procedures developed by the National Dairy Development Board (NDDB), while Satpura and Hadoti PEs implement SOPs developed by the FDRVC. These frameworks are perceived to support quality control, accountability, and coordination across dispersed field operations.

Commodity Selection Aligned to Local Production and Market Demand

While appropriate commodity selection alone does not guarantee profit, it has been an essential enabler by reducing operational complexity, supporting quality consistency, and laying the foundation for aggregation and, in some cases, value-added activities such as mustard oil processing. These features position PEs more favourably to pursue sustainability and scale over time, subject to complementary investments in management capacity, market development, and financial planning. This is reflected in the way commodities were strategically chosen for each PE based on clear competitive advantages and post-NRLM sustainability considerations. Joint scoping studies by SRLM and FDRVC examined district-level data on the predominant crops of small and marginal farmers, local abundance, and market demand, resulting in context-specific choices—wheat and maize in Satpura, soybean, mustard, and coriander in Hadoti, and milk in Kashee. As explained by the CEO of Satpura PE, "*So, the demand that came from the districts was about which commodities the small and marginal farmers were working with the most. Second, which commodity was most abundant there? Basically, if a commodity is abundant, it means small and marginal farmers are associated with it. So, first, the scoping study was completed, and the report prepared went directly from SRLM to NRLM. Then a DPR (Detailed Project Report) was made, which was approved by the Ministry*."

These commodities align well with local agro-climatic conditions, rely on farmers' traditional

knowledge and low input costs, and cater to strong local or institutional demand.

Access to Technical Assistance and Convergence
Capacity-strengthening support facilitated through NRLM was highlighted across all three enterprises as a key contributor to business functioning. NRLM enables linkages between PEs and specialized technical assistance providers, access to which individual smallholder producers may otherwise find limited. In this study, NDDB provided technical support to Kashee Dairy, while FDRVC supported Satpura and Hadoti PEs through a range of training and advisory inputs.

Training support spanned multiple levels of the enterprise, including productivity-enhancing practices for members, operational systems for field staff, and business management and governance for Boards of Directors and senior leadership. In Satpura PE, for instance, FDRVC conducted three refresher capacity-building sessions annually, covering governance structures, market dynamics, operational systems, and decision-making processes. In Hadoti PE, technical assistance extended to marketing support and the adoption of digitized platforms such as ERP systems.

In addition, NRLM-supported enterprises reported benefiting from convergence with broader government schemes and sectoral initiatives. Agricultural PEs, in particular, cited linkages with the Department of Agriculture as valuable for accessing technical information, scheme benefits, and value chain development inputs that would otherwise be difficult to navigate independently.

Improved Price Realisation and Transaction Efficiency
Improved farm-gate prices, along with greater transparency and predictability in payments, were consistently cited as central business advantages of participation in a PE. Across the three cases, price improvements appear to be associated with collective bargaining, quality-based procurement, and reductions in intermediary-driven transaction costs. Quality control mechanisms—supported by standardized procurement processes and monitoring by PE staff—have enabled enterprises to negotiate prices based on verified quality parameters rather than uniform rates.

Digitization of procurement and payment systems, including the use of ERP platforms, has contributed to transparency in pricing and timeliness of payments. Direct procurement through nearby collection centres has also reduced reliance on intermediaries, lowering both financial and logistical costs for producers. These efficiencies are further supported by coordinated transport and aggregation systems made feasible at scale.

Kashee PE illustrates an additional dimension of transaction cost reduction through service provision. By facilitating access to veterinary care, fodder, and related inputs at the village level, the enterprise reduces the time and physical burden previously borne by women members. As members explained, "*cattle doctors are available; we can call them immediately*," and "*we're receiving high-quality fodder… we no longer need to go anywhere*." Beyond price levels, members emphasized the importance of payments being credited directly into women's bank accounts in a timely manner, reinforcing both financial predictability and control.

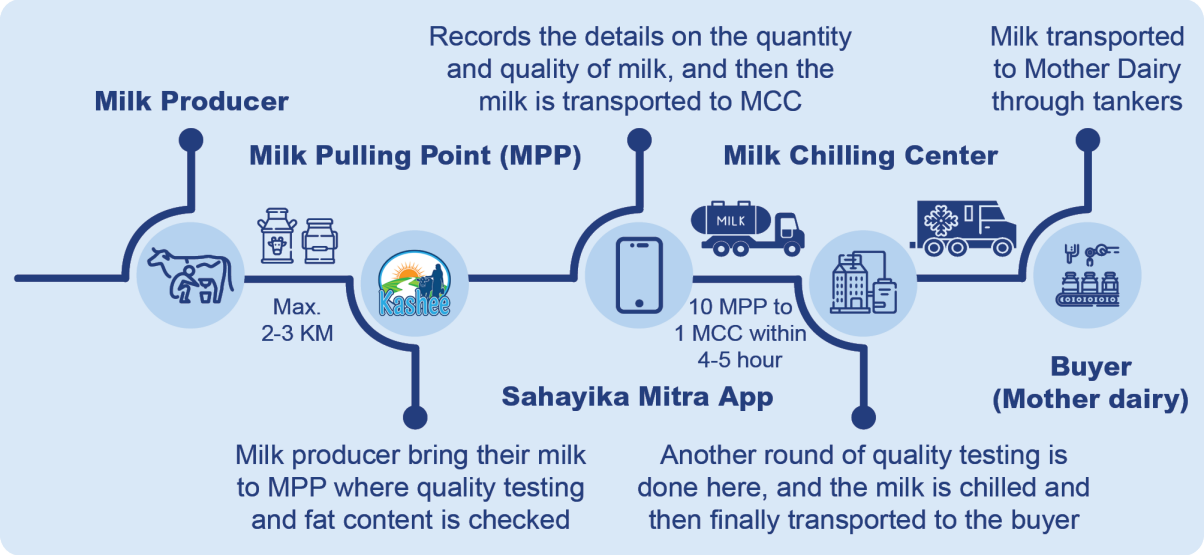
One member from Hadoti PE described the contrast with earlier market engagement:
"*In this, as our women are working well, they get the full right price for their crops. The biggest advantage is that women cannot go outside to the mandi and negotiate the price of their crop… Here, you get your goods checked, and if you feel that the price is right, you sell*

it… and the money comes directly into the account."

Box 1: Price realisation in Kashee Dairy



Figure 4: Supply chain and price realisation in Kashee dairy



Fund Utilization in PEs

PEs under NRLM received substantial NRLM/SRLM corpus grants: ₹13.17 crore for Satpura's 131 centers, ₹16.39 crore for Hadoti (salaries, procurement, D3Cs, scales, ERPs), and ₹39 crore for Kashee's to establish 1,000 MPPs, DPMUs, labs, and chilling setups through March 2025. These funds established decentralized infrastructure—Satpura's ERP-equipped Sanchalika centers with weighing/storage; Hadoti's 108 D3Cs, vibro-screens, moisture meters, and processing plant; Kashee's MPPs, 3–4°C MCC chilling, and apps—while funding SHG women's salaries/commissions (Sanchalikas/Sahayaks). This kickstarted operations: village-level quality checks/digital weighing, efficient aggregation/transport, and sales to Adani, ITC, and Mother Dairy, slashing intermediary costs and enabling timely direct payments to women's accounts.

NRLM-facilitated technical assistance (TA) from NDDB (Kashee) and FDRVC (Satpura/Hadoti)—including training on productivity, governance, and digitization (ERPs for locked pricing/moisture deductions) further enhanced price realization through collective bargaining, quality verification (color/smell/texture tests), and efficiencies that bypassed mandi negotiations, delivered competitive farm-gate rates (e.g., Satpura wheat at ₹3,300/quintal yielding ₹30 lakh profit), and added services like Kashee's village vets/fodder. Kashee and Satpura have started regular dividends tied to shares/supply, signaling early profitability (Kashee via sales/FD interest.

All three PEs are in their nascent stages of growth, with an average operational age of three to four years. As a result, many investments made through NRLM grants are still in the process of stabilizing and yielding returns. Enterprise leadership highlighted that initial years have been focused on setting up systems, infrastructure, and market relationships for future sustainability rather than profit maximisation. This early stage of maturity partly explains the uneven profitability observed across the cases.

Improved Market Access

Assured market access emerged as another significant business benefit across the three enterprises. Kashee PE operates a consolidated bulk-selling model, supplying its entire output to Mother Dairy. Satpura PE has established linkages with large corporate buyers, including Adani and ITC, through a combination of FDRVC's national networks and local negotiations led by the CEO. Hadoti PE has developed multiple sales channels, including

local mandis and e-commerce platforms such as IndiaMART and Flipkart, as well as region-specific digital marketplaces.

These arrangements appear to reduce uncertainty around buyer identification and offtake, allowing enterprises to focus on procurement quality, volume consistency, and operational efficiency. A member from Kota adds, “*Earlier we had to give tractor price, mandi price, middleman takes profit, but here everything FPO gives.”*

While market diversification remains an ongoing process for some PEs, the ability to access structured and relatively reliable markets represents a departure from the fragmented and intermediary-dependent systems that members previously navigated.

Efficient Vendor Selection and Management Practices
Across the three PEs, vendor selection shows a clear move away from ad-hoc and informal arrangements towards more structured ways of engaging with markets. Input vendors are usually identified through processes supported by technical agencies, with final decisions taken by the PE’s Board, based largely on quality of inputs and price considerations. For output sales, PEs rely on institutional buyers and potential repeat customers, which helps limit dependence on unorganised markets and one-time buyers. Apart from Kashee Dairy, which has a single output vendor (Mother Dairy), vendor relationships in other PEs are typically tracked through standard operating procedures, routine quality checks, and digital systems. Together, these arrangements contribute to more predictable procurement and sales processes and help reduce day-to-day operational risks for both the enterprise and its members, with the option to add additional vendors for future use as needed.

PEs As Reliable Entities
Women trust NRLM PEs as reliable entities largely due to their government-backed status and legal structure as a registered Private Limited company, which distinguishes them from fraudulent private companies that had previously eroded community confidence. An interview with the BoD members of the Hadoti MKPCL highlights how "*there was a lot of fraud going on, cases were filed against companies, so we had to face a lot of trouble*," but Rajeevika and NRLM intervened decisively: "*Rajeevika and NRLM removed that obstacle for us, which was a significant role they played*." This official support, combined with transparent digital processes (ERP systems, timely payments), baseline surveys, and active involvement of SHG networks, built trust—evidenced by successfully mobilising over 18,346 members despite initial scepticism. The affiliation with NRLM/SRLM further reassures women, as it signals accountability and legitimacy in a region wary of scams.



2.2.2 How women benefit

Increased Financial Autonomy and Control over Earnings

Across the three case studies, participation in PEs is associated with greater financial autonomy for women members. Women now receive procurement payments directly into their own bank accounts rather than through male household members, allowing them to exercise greater control over earnings and financial decision-making. This shift is accompanied by increased recognition of women as producers and formal members of the enterprise within their communities.

As one respondent noted, "*Procurement payments are now credited directly to our own accounts rather than through our husbands. This financial autonomy has transformed dynamics in the village: when a didi brings in 20 quintals of produce, she receives the earnings directly and manages them herself*." Respondents emphasized that direct payments have not only improved transparency but have also made women's economic contributions more visible within households.

Confidence, Leadership, and Exposure

Women serving on Boards of Directors and in representative roles reported notable changes in confidence, leadership capacity, and public engagement. Participation in enterprise governance has enabled women to attend district- and state-level meetings, interact with government officials, and represent their enterprises in federations and external forums. Training programs and exposure visits have further expanded women's mobility beyond their villages and facilitated peer learning across districts.

Board members from Kashee described village-level mobilization efforts, where learning acquired through enterprise participation was shared with other women members. As one Board member explained, "*Whatever we learn here, when we go home, we explain it to everyone*." This circulation of knowledge appears to reinforce collective ownership of the enterprise and strengthen solidarity among members.

Women's Participation in Paid Enterprise Roles

Across the three PEs, Sanchalikas/Sahayikas are not limited to handling procurement-related tasks. In Kashee Dairy, women who manage Milk Procurement Points receive regular payments for milk collection and gradually learn how to carry out basic quality checks and enter records digitally. In Satpura and Hadoti, Sanchalika didis receive payment for running procurement centers, which adds a steady source of income alongside farming. Their daily interaction with women farmers, transporters, and PE staff also gives them greater visibility in the village. Over time, this regular engagement appears to build confidence and local trust, with many Sahayikas/Sanchalikas becoming points of contact for mobilization and information-sharing within the enterprise.

Respondents from an FGD from Satpura PE explained, "*Joining Satpura truly opened our eyes to what SHG didis can achieve under the Aajeevika Mission. We gained valuable exposure by meeting many people, attending training sessions, interacting widely, and connecting with didis from other regions. Being part of Satpura has enriched our experience and helped us to grow*."

The role also creates a pathway for rural women to become entrepreneurs. Rather than functioning only as community volunteers, Sanchalikas manage procurement operations, handle digital tools and inventory systems, coordinate logistics, and earn performance-linked commissions based on procurement volumes. This gives them an independent source of income while building managerial, technical, and leadership skills. As seen in Satpura, the model enables women to earn significant supplementary income while continuing farming and household responsibilities, strengthening local livelihoods and reducing the need for migration. By operating village procurement centres and serving as trusted market intermediaries, Sanchalikas emerge as grassroots entrepreneurs embedded within local producer networks.

Negotiating Gender Norms within Households and Communities

Women across the enterprises described initial resistance within households, particularly around control over land, produce, and income. In several cases, husbands questioned why payments should be made in women's names rather than their own. Over time, respondents suggested that these attitudes began to shift as women participated in training, assumed formal roles within enterprises, and demonstrated their capacity to manage economic activities.

One respondent reflected, *"In the early days, we faced many challenges. Initially, husbands insisted, 'The farm is mine; the produce is mine—why not deposit the payment in my name?' But over time, after attending training sessions, bringing in income and stepping into our roles confidently, even their attitudes shifted*." Another Board member from Satpura observed that women's evolving roles altered how they were perceived: "*Earlier, we worked on the farms but never saw ourselves as farmers. Today, as members of Satpura, we proudly identify as producers… Once husbands doubted us—but now they trust our leadership*."

These experiences suggest that economic participation through PEs may contribute to gradual renegotiation of gender norms, though such changes appear to be uneven and shaped by local social contexts.

Capacity Building and Skill Development

Capacity building emerged as a central pathway through which women strengthened their participation in enterprises. Women reported receiving training in company formation and registration processes, use of digital systems such as ERP platforms, procurement logistics, and facilitation of meetings. These inputs have supported women's ability to engage with enterprise operations and governance, while also contributing to greater confidence in interacting with institutional actors and managing collective processes.

Together, these outcomes point to the ways in which PEs under NRLM may function not only as economic institutions, but also as spaces for skill development, leadership formation, and incremental shifts in gender relations at the household and community levels.

Box 2: Satpura PE: Capacity-building



Capacity building has played a significant role in shaping the operational capabilities of the Satpura Mahila Kisan Producer Company Limited. Many women associated with the enterprise reported entering the organization with limited prior exposure to formal business practices. Through a combination of structured training, mentorship, and exposure activities facilitated under NRLM, SRLM, and FDRVC, members and leaders have gradually developed the skills and confidence required to manage increasingly complex enterprise functions. As one member reflected, "We had no prior business experience, but through Satpura we learned how operations should work from the top down and how to ensure benefits reach farmers properly."



Training inputs are delivered across multiple levels of the enterprise. General members receive pre- and post-harvest trainings focused on seed selection, crop storage, pest management, and awareness of relevant government schemes. At the field level, FDRVC conducts regular training sessions—often in collaboration with the Department of Agriculture—covering topics such as organic composting and improved crop management practices.



For Board of Directors (BoD) members, three capacity-building and refresher trainings are conducted annually in Bhopal, with a focus on governance, decision-making processes, market systems, and stakeholder engagement. These inputs are intended to support informed oversight and strategic planning. Additional technical assistance is provided by a dedicated training officer who responds to emerging operational needs.



At the operational level, *sanchalika didis*, who are responsible for managing procurement at local centres, receive training in the use of ERP systems for digital transactions. This has supported greater transparency, traceability, and efficiency in procurement and payment processes. Collectively, these capacity-building efforts suggest a gradual strengthening of both individual capabilities and institutional functioning within the Satpura Federation.

2.3 Barriers to scale

Despite the institutional and operational advantages observed across the three PEs—including access to NRLM financing, structured governance systems, capacity-building support, and professional management—several constraints continue to shape their growth trajectories.

Staffing and Human Resources

Human resource capacity emerged as a significant and recurring challenge. Across the case studies, enterprises reported difficulties in recruiting and retaining skilled personnel, particularly at senior management and field-operational levels. High staff turnover and prolonged vacancies were cited as impediments to continuity and institutional memory. Hadoti PE, for instance, experienced four changes in the CEO position over a five-year period, with respondents attributing turnover to a combination of more competitive opportunities elsewhere and performance-related exits. In some cases, budgetary pressures have led to staff reductions and consolidation of roles. At Satpura PE, the CEO currently serves in an interim capacity while also managing operational responsibilities.

All three enterprises rely heavily on field-level staff to manage procurement, logistics, and member engagement. These roles require continuous training due to the operational complexity and variability of field conditions. As one Head of Operations described, "*It is field work. You have to go to the member. You have to maintain the route, the center, and the vehicle. Hiring staff and providing timely training are continuous processes*." Such demands place sustained pressure on managerial capacity and resources.

Returns on Investment

While members expressed appreciation for improved payments for their produce, consistent financial returns in the form of dividends have not yet been realized across the enterprises. Profitability remains limited, with several enterprises operating at or close to break-even levels. As a result, surplus funds available for shareholder incentives or reinvestment into expansion remain constrained. The case studies suggest that the enterprises have not yet reached a stage where internally generated profits can meaningfully support growth or reduce reliance on grant funding.

Market Linkages and Market Intelligence

Market access remains uneven across the enterprises. Kashee PE has established a relatively stable business-to-business model, whereas Satpura and Hadoti PEs continue to rely largely on local markets. Operating in these markets requires timely and systematic information on mandi prices, quality standards, demand trends, seasonal fluctuations, and buyer requirements—systems that are not yet fully institutionalized. Additionally, enterprises face competition from local traders who may offer temporarily higher prices, complicating procurement planning and price stability.

Limited Value Addition

Across the case studies, enterprise activity remains concentrated primarily on procurement rather than downstream value addition. While Hadoti PE has initiated packaged mustard oil production, respondents reported challenges in identifying and securing consistent markets for these products. Limited access to specialized marketing expertise, sales networks, and negotiation capacity constrains efforts to diversify product lines and increase margins.

Respondents highlighted the volatility of commodity markets as a further constraint. As one CEO noted, "*Commodity market fluctuations are highly unpredictable. Farmers run after higher selling price*." Another emphasized the centrality of marketing capabilities: "*The survival of the whole business is on sales and marketing… now we are ready with the product but selling that is a difficult task*."

Outreach and Communication

With membership bases exceeding 10,000 in some cases, enterprises face challenges in maintaining effective communication and representation across all members. Existing mechanisms for information sharing rely heavily on local cadres, and processes for grievance redressal and feedback are still evolving. Social norms at the community level continue to shape women's participation in meetings and decision-making forums. Board members described ongoing efforts to encourage women to speak openly, noting that participation often requires repeated mobilization and sustained confidence-building. These dynamics affect information flow, responsiveness, and the pace at which enterprises can implement changes.

Limited financial knowledge

Limited financial knowledge emerged as a common gap in Hadoti and Satpura, though the extent and implications differed across the PEs. The women within the PE, like some of the BoDs are often restricted to not be deeply involved in core PE functions such as pricing, costing, and revenue management. These women are primarily from SHGs, rely heavily on managers for financial decisions—such as rate fixation from mandi prices or calculating production costs (e.g., mustard oil at ₹168 per unit)—highlighting a gap where "*Didis dont say [anything] but if the price is going high and still the farmer is not giving the produce, then we start consulting them too.*" This passive role underscores the need for enhanced financial literacy training, as board members, Sanchalikas, and APOs receive only periodic sessions on finance, procurement, and marketing via Zoom or camp. In Satpura, women were familiar with the overall operations of the PE but remained largely uninvolved in core financial and business processes. Greater women's participation in these areas could strengthen ownership, reduce dependency, and improve sustainability, but current capacity constraints limit this.

In contrast, Kashee presented a different picture: women, particularly Board of Directors, exhibited stronger financial awareness, reflecting deliberate role clarity where members focused on milk quality and equity participation while financial oversight and key financial decisions were overseen by the company's Board of Directors. This highlights that, unlike Hadoti and Satpura, Kashee has been more successful in building women's financial knowledge at the governance level, offering valuable learning for strengthening women's ownership and sustainability across PEs.

3. What next?

Across the three PEs, leadership and members articulated a shared aspiration to achieve greater financial sustainability and progressively reduce dependence on grant support. To this end, enterprises outlined a set of strategies aimed at strengthening business viability.

Expanding the membership base is viewed as a means to increase share capital while ensuring higher and more consistent procurement volumes. Satpura and Hadoti PEs expressed interest in diversifying the range of crops procured, both to manage risk and to respond to evolving market opportunities.

Developing value-added products and services was identified as a priority for enhancing revenue potential. Planned initiatives include expanding processed product lines—such as mustard oil and mustard cake in Hadoti PE—and introducing fee-based services in Kashee Dairy, including mobile veterinary units and artificial insemination services. Improving operational efficiency through diversified professional hiring, enhanced staff capacity, streamlined logistics, and strengthened quality assurance systems was also emphasized, with digital tools increasingly seen as central to monitoring and efficiency.

Expanding and deepening market linkages remains a core growth objective. Enterprises articulated plans to engage more systematically with large buyers and corporate partners, strengthen marketing channels, and increase sales through online and e-commerce platforms.

Beyond financial objectives, women Board members and enterprise members highlighted aspirations related to social empowerment. PEs are viewed as spaces that enable

leadership development, public participation, and mobility. As one Board member from Kashee reflected, "*This company has enabled women to step out… go to public forums and share opinions.*" For many respondents, long-term sustainability was framed not only in financial terms, but also in relation to sustaining the confidence, dignity, and collective voice that enterprise participation has enabled.

While women in these PEs—Sanchalikas, Sahayaks, and Board of Directors (BOD) members lead frontline mobilization, collection, and SHG meetings, gaps in financial skills limit their strategic leadership. Many BOD women grasp basic PE functions and profits but lack proficiency in pricing, expansion, or scale-up discussions, resulting in passive participation during critical meetings.

Targeted capacity building can transform BOD roles from symbolic (SHG women "given a seat") to substantive: train select members in financial planning, budgeting, and business acumen alongside professional managers. This equips women with agency to actively shape decisions, ensuring genuine leadership rather than performative representation at the table.

4. Conclusion

This case study examined the business models and operations of three women-led PE set up under NRLM. The findings of the study can be interpreted with certain limitation. First, the analysis is based on small selective sample of three PEs chosen to reflect diversity but may not representative of all PEs under NRLM. Second, the PEs are relatively nascent in age with just 3-4 years of operations, the results capture early-stage development and long-term performance may evolve over time. Given the PEs' stage of growth, sudden growth and higher returns should not be expected at their current maturity level. Lastly, the study relies on qualitative insights from key stakeholders, which, while rich and contextually grounded, may be subject to individual perceptions.

The study finds that the PEs included in the study have a large outreach with membership of over 67,000 women. In keeping with the theory of change, PEs deliver value to members through better management, price realization, reduction of transaction costs, cushioning against price fluctuations and market risks and enhancing transparency in payments. However, the PEs included in our study have not reached a scale to generate significant economies of scale. Their bargaining power within the market and ability to serve as an platform for economic discussions remains limited. PEs remain primarily dependent on NRLM grants and are not yet profitable enough to achieve financial sustainability. Some PEs have begun paying dividends to shareholders, although not on a regular basis.

Participation in PEs has enhanced women's financial autonomy and increased their control over income as they directly receive payments from their producers in their accounts. Additionally, through their leadership roles in PE governance and as board members has strengthened their confidence and visibility beyond their community. However, their role in financial and strategic decisions remains limited within the PE, particularly in the areas of pricing and market-related functions.

PEs are ready to adopt business-oriented growth strategies centering around increasing operational efficiency, value added product development and market linkages. In doing so, the key enablers to be leveraged are the good governance practices followed by PEs, presence of professional managerial staff and technical assistance provided by NRLM. At

the same time, PEs are challenged by human resource constraints, particularly at strategic business leadership and grass-root level and limited access to timely and reliable market information on demand trends, pricing, and quality standards. These constraints shape the enterprises ’ability to make informed business decisions and point to areas where targeted institutional and policy support could strengthen the long-term viability of collective enterprises in lower-income contexts.

Appendix

The table provides a comparative overview of three PEs—Kashee, Satpura, and Hadoti MKPCL—covering their formation, scale, governance, operations, and financial performance. It outlines key details such as products, geographic coverage, membership, organisational structure, funding, and recent financial outcomes, offering a concise view of how these enterprises function and support women members through collective economic activities.

Table 1: Details of three PEs: kashee dairy, satpura mkpcl, and hadoti mkpcl

Particulars	Items	Kashee	Satpura	Hadoti MKPCL
Formation date		11-Nov-21	04-Nov-20	12-Sep-20
Registration status		Yes, under the 1961 Company Act	Yes, 4 November 2020 under the Companies Act of 2013	Yes, registered under the Companies Act in 2020.
Product		Milk (Buffalo and Cow)	Millets, Maize and wheat	Soybean, Mustard, Coriander
Coverage	Total Districts	7	1	2
	Total Blocks	43	7	8
	Total Villages	1,010	402	452
	Total Members (all women)	37,772	11,500	18,346
	SHG Women members	More than 70%	100%	95%
Governance	Number of BoD	14 (including 1 CEO and 2 expert directors)	5 members excluding the CEO	8 (board includes 7 women farmers and 1 CEO)
	CEO appointed	Yes	Yes	Yes (but on additional charge)
	Number of Staff	125	151	142
	Office Staff	25 (1- Head of Operations, 1- Finance	20 (11+7 APOs+1 Procurement Manager+1	20 (Procurement Manager, APOs and Sanchalikas,

Particulars	Items	Kashee	Satpura	Hadoti MKPCL
		Manager and other staff of operations)	Finance Manager)	Plant Manager, Supervisor-Operators and labour, Finance Manager)
	Field Staff	100 (includes milk quality testers, etc.)	131	122 approximately (14/15 APOs- one APO looks after 7-8 D3Cs and 108 Sanchalikas- one sanchalika per D3C)
	Sanchalika/ Sahayika	1000	131	108
Funds from NRLM/NRETP	Total Funds Received	39 (INR in Crores) Disbursed in installments	13.17 (INR in Crores) Disbursed in installments	16.39 (INR in Crores) Disbursed in installments
Scale of Operation	Average Collection	1.004 lakh liters of milk per day	2500-2800 quintals (approx)	25 metric tonnes (mustard oil sold)
	Total Revenue (2023-24)	19,599.31(INR in Lakhs)	906.68(INR in Lakhs)	
	Total Expenditure (2023-24)	18,729.70 (INR in Lakhs)	837.73 (INR in Lakhs)	
	Net Profit/Loss (2023-24)	869.61 (INR in Lakhs)	68.95(INR in Lakhs)	
	Total Revenue (2024-25)	19,916.77 (INR in Lakhs)	1498.48(INR in Lakhs)	
	Total Expenditure (2024-25)	19,662.09 (INR in Lakhs)	1251.69 (INR in Lakhs)	
	Net Profit/Loss (2024-25)	254.68 (INR in Lakhs)	246.8 (INR in Lakhs)	
	Total Lakhpati Didi (since inception)	8045		

Particulars	Items	Kashee	Satpura	Hadoti MKPCL
Equity and Dividend to Shareholders	Value of one equity share (2023-24)	INR 100	INR 100	INR 100
	Dividend (2023-24)	INR 8 per equity share	INR 6 per equity share	
	Value of one equity share (2024-25)	INR 100	INR 100	INR 100
	Dividend (2024-25)	INR 8 per equity share	No dividend this year	
	Membership Fee	INR 50	INR 250 (50 is admin cost +200 is the value of 2 shares)	INR 50

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