

An ABI, ICAR-IIGR Mini Oil Mill Initiative: A Sustainable FPO-Led Model for Groundnut Value Addition and Farmer Income Enhancement

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Under the financial and technical support of the **Agri-Business Incubation (ABI) Unit, ICAR–Indian Institute of Groundnut Research (ICAR-IIGR)**, Junagadh, a **Mini Oil Mill** was successfully established on 20th November, 2025 at Samadhiyala Road, **Mendarda**. The mini oil mill unit has been sponsored by ICAR-IIGR, Junagadh and is being operated by the **Madhuvanti Farmers Producer Company Ltd. (FPO)** that represents a successful convergence of research, entrepreneurship and farmer empowerment.



The mini oil mill unit was set up with the objective of enhancing income of groundnut farmers through on farm processing and value addition. The unit provides oil extraction services to farmers at a nominal charge of **₹100 per oil tin (15 kg)**. In addition, the FPO ensures immediate and assured returns by paying **₹320 per 20 kg for the oil cake (by-product)** generated during oil

extraction. This transparent and farmer-friendly pricing system has increased trust and participation among local growers.

At present, the FPO primarily focuses on **extraction of oil from high oleic groundnut varieties Girnar-4 and Girnar-5**, developed by ICAR-IIGR. High oleic groundnut oil is known for its superior nutritional quality, longer shelf life and growing market demand, making it a premium product for health-conscious consumers.

The initiative is also **benefiting farmers of Mithapur village, identified as a Model Groundnut Village**, by providing them easy access to processing facilities, reducing post-harvest losses and minimizing dependence on external oil mills. Farmers now receive better overall returns from their produce.



With continuous guidance and mentorship from the ABI Unit, ICAR-IIGR, Junagadh, the Madhuvanti Farmers Producer Company Ltd. (FPO) is now planning to expand its activities beyond processing. The FPO will engage in branding, marketing and direct sale of high oleic groundnut oil, enabling farmers to capture a higher share of the consumer price and strengthening the local agri-value chain.

Benefits of the Mini Oil Mill to Farmers

- Assured and affordable oil extraction facility at the village level
- Premium market value for their high oleic groundnut oil
- Reduced transportation and processing costs
- Enhanced bargaining power through collective marketing via FPO
- Employment generation and skill development in rural areas
- Improved farmer income through value addition and direct market linkage
- Additional income through remunerative price for oilcake

This success story highlights the effective role of the ABI Unit, ICAR-IIGR, Junagadh, in nurturing farmer-led enterprises and transforming groundnut cultivation from a raw-produce system into a profitable agribusiness model.



Reported by: Chiragkumar M. Bhaliya, Manjunatha Paled, Kiran K. Reddy, Adupa Shanmuka, P.V. Zala and S. K. Bera
