

## Sub working group: Market Smart

under

## CII Climate Change Council: 2020-21

## Alliance for Sustainable Agriculture

### Scope of the sub-group

This sub-group will look at solutions w.r.t. better credit assessments, insurance availability and market linkages.

### Objective of the sub-group

To look at creating enabling markets related to inputs (seeds, water, soil etc.) and produce (food, fuel, fiber, raw materials etc). Additionally, look at credit assessments & insurances for minimizing risks.

### Prioritised Areas of the sub-group

1. Forward market linkages
2. Capacity building of FPOs and linkage to smart markets
3. Better credit assessments & insurance provisions

### Sub-group Activities

- Members to share their successful case studies related to the prioritized areas in the format attached below-Annexure. Last date of submission for the case study: 31 January 2021.
- Identify key policy interventions required to promote and support sustainable & climate smart practices at agriculture level.
- Drafting policy paper with reference to case study learning and suggesting policy interventions to address present and future challenges.
- Submission of policy paper to CII's Climate Change Council for inputs and suggestions on further action.

**Annexure: Format for Case Studies (2 pages) Last date of submission: 31 January 2021**

Priority Area	<p>Yazali FPC provides the following services to its members:</p> <ol style="list-style-type: none"> <li>1. Quality Agri Inputs: Fertilisers   Crop Protection &amp; Nutrition   Seeds</li> <li>2. Farm Mechanisation</li> <li>3. Market linkages, Branding &amp; Marketing</li> <li>4. Exploring cashless credit to farmers</li> </ol>
Name of Project	Yazali Farmer Producer Company (FPC)
Location	Yazali Village, Guntur District, Andhra Pradesh

<p>Coverage &amp; Specifics (high level) (i.e. savings, impacted areas etc.)</p>	<p><b>Coverage:</b> It is based in Yazali Village. It has 350+ farmer members. The FPC is active in the production of Paddy, Black gram, Green gram and Maize crops.</p>
<p>Vision envisaged</p>	<p>Yazali FPC is working efficiently on the technology front and has adopted various methods to make their farmers smart and plans to do more in the future. They use drones for spraying, harvester from South Korea for paddy harvesting, they provide invoices to their farmers for input purchase and apps to keep the accounting process totally digital.</p>
<p>Key Partner Agencies</p>	<ul style="list-style-type: none"> <li>• eFresh (<a href="http://www.efreshglobal.com">www.efreshglobal.com</a>)</li> <li>• SAVe Foundation (<a href="http://www.savefoundation.in">www.savefoundation.in</a>)</li> <li>• JD Foundation</li> <li>• Waycool</li> <li>• Samunnati Agrotech</li> </ul>
<p>Description of the project</p>	<p>Yazali is a FPO registered as Farmer Producer Company (FPC) on 11-Oct-2018, in Yazali village, Guntur District of Andhra Pradesh. At present it has 350+ farmers' members cultivating Paddy, Black gram, Green gram and Maize crops during the year. Mr. Lakshmi Narasimha Ikkurthi is the Founder and Chairman of the FPC who has come with good education and IT sector exposure with a passion and commitment to empower farmers in his village through smart agribusiness activities by FPO. To unleash the power of their vision they have associated with SAVe Foundation during the end of December 2019 for Institutional Development Services for Mainstream Markets Inclusion.</p>
<p>Key achievements</p>	<p>In 2019-20 Yazali FPC achieved <b>Rs. 6 CR</b> annual business. The association with SAVe Foundation (<a href="http://www.savefoundation.in">www.savefoundation.in</a>) helped YAZALI FPC in specific benefits in very short time as mentioned below</p> <ul style="list-style-type: none"> <li>• Agri Input Business retail outlet Franchise from eFresh to setup Farmer Development Centre (FDC) by Yazali FPC</li> <li>• Established Mainstream Market Linkages with Way Cool and Samunnati Agro for Pulses Market linkages which resulted in <b>Rs. 2 Crore</b> turnovers during the COVID 19 lockdown times.</li> <li>• New contacts established with NCML Market Yard for additional support in market linkages.</li> <li>• Yazali FPC has godown facility to store paddy, pulses and maize with 500 MT storage capacity. One more ware house is being constructed for green Chilli.</li> <li>• Coming to logistics, Yazali FPC has tractor, trolley for transporting the farm produce to the FPO warehouse.</li> <li>• They do not have any sort of insurance cover right now but are applying for inputs insurance from HDFC this year. Insurance services will be provided in association with SAVe Foundation with organizations such as WRMS and Gram Cover.</li> </ul>

	<ul style="list-style-type: none"> <li>• They provide training program and advisory services to their farmers.</li> <li>• They are in the process of setting up of a processing unit so that the farmers can fetch better prices for their produce</li> </ul>
Challenges encountered & problems resolved	<ul style="list-style-type: none"> <li>• There was market linkage issue during the Covid-19 time. Market linkages with Samunnati &amp; Waycool was established, which resulted in <b>Rs. 2 Cr</b> turnover in the pandemic time itself.</li> </ul>
Challenges envisaged for pan-India scale up	<ul style="list-style-type: none"> <li>• Commitment of BoD and members in the FPOs and handholding institutions.</li> <li>• Quality human resources.</li> <li>• Quality input linkages (seeds, nutrition, machinery etc.)</li> <li>• Mainstream market linkages for output.</li> <li>• Mainstream financial linkages for competitive interest rates.</li> <li>• Access to post harvest storage, value addition, processing infrastructure.</li> <li>• Integration with global markets for export opportunities.</li> </ul>
Policy gaps and challenges	<ul style="list-style-type: none"> <li>• Improving and developing the agricultural marketing system by developing regulated markets and introducing various measures such as grading and standardization of agricultural output, standardization of weights and measures, providing market information and also strengthening cooperative marketing structure is required.</li> <li>• Collaboration between Market players, consumers and producers.</li> <li>• Incentives required for promoting quality packaging and branding of their farm produce.</li> </ul>
Any other relevant information	<ul style="list-style-type: none"> <li>• Yazali FPC has demonstrated the power of collective marketing for inputs and output sales with mainstream players.</li> <li>• During COVID-19 lockdown was able to demonstrate the electronic payments for their output market linkages with institutions such as Way Cool and Samunnati.</li> <li>• Given great importance for Mechanization aspects and local processing of the produce to create their own brand in near future.</li> <li>• Identifying new crops for diversification based on the market demand to gain more income for their farmer members. Getting in to production of Green Chili is one such example.</li> </ul>