

Role of Farmer Producer Organizations in Empowering Farmers: Case Studies from India



Compiled and Edited By
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This e-book is a compilation of case studies of FPOs located in different parts of the country. As the title suggest, this e-book discussed the role of Farmer Producers Organizations in empowering and bringing a difference in the lives of the Farmers. Different case studies discussed in this E-book were collected across India from various secondary sources. These case studies generate a pool of knowledge and learning for further research and scientific/ academic activities. Neither the publisher nor the contributors, and compilers assume any liability for any damage or injury to persons or property from any use of methods, instructions, or ideas contained in cases presented and discussed in this e-book. No part of this publication may be reproduced or transmitted without prior permission of the publisher/editor/authors. Publisher and editor do not give warranty for any error or omissions regarding the materials in this e-book.

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FOREWORD



Indian agriculture is characterized by higher proportion of small and marginal farmers and the fact is that we have to live with this situation. The concern now is how to aggregate these smallholders and bring in economies of scale to reduce the transaction cost on one hand and provide food to consumer at reasonable price. Group members are able to leverage collective strength and bargaining power to access inputs, services and appropriate technologies leading to reduction in transaction costs. It is equally important to link these increasing smallholders to the markets (input and output). The oldest form of aggregation of farmers was cooperatives. However, due to inherent systemic problems, the success of the cooperatives was limited and the success was confined to the milk and sugarcane sector. In the post co-operative scenario realizing the importance of aggregation and limited success of cooperatives, various institutional interventions were started by government, private and civil society organizations for aggregation of small and marginal holders. Several attempts have been made to aggregate the farmers into different forms of groups. These include Agricultural Cooperatives, Self-Help Groups, Commodity Interest Groups, Grower Associations, and Farmer's Association *etc.* However, again the success achieved has been limited.

Recently, a new model of aggregation in the form of Farmers Producer Company (FPC) has evolved. The instrument of Farmer Producer Company (FPC), registered under Companies Act, 1956 is emerging as an effective Farmer Producer Organization (FPO) to cater to the aggregation needs of farmers at the grass root level. The main objective of mobilizing farmers into member-owned producer companies, or FPCs, is to enhance production, productivity and profitability of agriculturists, especially small farmers in the country. It takes care of the entire supply chain and hence is a distinguished model compared to other aggregation models. FPCs offers a wide range of benefits compared to other formats of aggregation of the farmers. These groups are democratically owned and run by management consisting of BoDs drawn exclusively from farmers members while, the day today activities are managed by CEOs, a management professional who is responsible for overall development of FPCs. Its main activities consist of production, harvesting, processing, procurement, grading, pooling, handling, marketing, selling, and export of primary produce of the members or import of goods or services for their benefit. It provides for sharing of profits/benefits among the members. Since 2002, the year in which the companies act was announced and farmers groups were allowed register as FPCs around 9500 such groups have been registered in India, the country has witnessed several success of such FPCs. Against this backdrop, an attempt has been made in this book to document some of the success stories so that the learnings from them can be emulated by other FPOs and also the factors responsible for success will act as a guidance for policy makers to come up with appropriate interventions to make these FPOs more successful. This issue focuses on factors responsible for success of some of the selected FPOs through logical analysis. I congratulate K. C. Gummagolmath, Shridevi Valamannavar, Ashwini Darekar, and S. B. Ramya Lakshmi and wish that this document is useful to benefit policy makers, academicians and researchers

Yours Sincerely

(Dr. P. Chandra Shekara)



PREFACE

The growth in the Indian agriculture sector has been impressive in the last three decades except for a few years of ups and downs. There is an increase in production of all agriculture and allied products over a period of time. Even during the Pandemic situation, the growth in the agriculture sector was positive. However, over a period of time, it is observed that the per capita income of the farmers has been lowest among all the sectors. The major constraint of Indian agriculture is the diminishing size of landholding. As per the 2015 census, the proportion of small and marginal farmers is more than 85 percent of total land holdings in the agricultural economy of India. Being smallholders, these farmers suffer from some inherent problems such as the absence of economies of scale, access to information, and their inability to participate in the price discovery mechanism. The only way to solve the problems of these small holders is to aggregate them into a group so that there will be operation of economics of scale. Thus, given the situation of the smallholders, their problems are of prime concern for the sector. Various institutional interventions by government, private and civil society organizations, have tried to link smallholders to the input and/or output markets. In this direction, several attempts in the past have been made to aggregate the farmers into different forms of groups. These include Agricultural Cooperatives, Self-Help Groups, Commodity Interest Groups (CIGs), *etc.* However, the success achieved has been limited, and are confined to few regions.

In the recent past, a new model of aggregation in the form of Farmer Producer Company (FPC) has evolved. The instrument of Farmer Producer Company (FPC), registered under the Companies Act, 1956 is emerging as an effective tool to cater to the needs of the farmers at the grass-root level. The main objective of mobilizing farmers into member-owned Farmers Producer Companies, or FPCs, is to enhance the production, productivity, and profitability of agriculturists, especially small farmers in the country. These models are specially designed to address the problems of marketing. It takes care of post-harvest activities including the entire supply chain and hence is a distinguished model compared to other aggregation models. FPCs offer a wide range of benefits compared to other formats of aggregation. It provides for sharing of profits/benefits among the members and capital is contributed by the members in the form of equity.

Over the last two decades, around 9500 FPCs have been promoted in the country. However, due to a lack of awareness about regulatory issues and low capital base, most of the FPCs promoted are found to be not viable. Hence, there is a need to understand the factors limiting the success of these FPCs.

In the light of the above facts, an attempt has been made in this book to document the success stories across the country, analyses the factors responsible for success of these FPCs. We believe that the information compiled and analyzed in this book will benefit policy makers, academicians and researchers.

Authors



PROLOGUE

According to a report, “The prediction of western economists that small farms will eventually cease to exist as big farmers will buy their land,” did not come true in Asia. We will have to live with the fact of small and marginal holdings and try to make it more viable.” Due to small scale of operation, small farmers, do not get the advantage of scale. However, they can increase the productivity of their farm holdings if farm operations are carried out collectively. Therefore, India, a country of six lakh villages, needs at least one lakh FPOs to transform the agriculture sector. Other Asian countries have used solutions suitable to them for dealing with the problem of small farms. Japan has the concept of part-time farmers, while, Thailand has used the contract farming model and China has adopted collective farming. In India the concept of Cooperative was one of the pioneering forms of aggregation available for the producers to organize themselves to move up in the supply-chain by value addition and business ownership. No doubt, Cooperatives have helped Indian Agriculture to a greater extent, but the cooperative system in the country has been infected by several inadequacies (Sontakki, 2012).

Several attempts have been made in the past to aggregate the farmers. One such pioneering attempt was promotion of cooperatives to perform activities in agriculture. By and large, the experiences of performance of cooperatives have been poor with the exception of cooperative, sugar factories and dairy cooperatives in Maharashtra & Gujarat. Apart from these, the success was achieved by some of the groups like Amalsad Cooperative Society for Sapota and farming cooperative (Gambhira) in Gujarat, MAHAGRAPES in Maharashtra, HOPCOMS, TSS and CAPMCO in Karnataka, Mulkanoor Women Cooperatives in Andhra Pradesh *etc.*

In the meantime, several other aggregation models like FIGs, CIGs, and SHGs *etc.* were tried. But the success achieved with these models was also limited and confined to certain regions. In the recent past, the instrument of farmer producer organization, registered under Companies Act 2013, is emerging as one of the most effective tools, of aggregation. These producer companies are designed in such a manner that they are professionally managed and are able to take care of total supply chain in general and marketing problem in particular. A producer company is basically a group of farmers registered as a producer company under Companies Act, 1956, now 2013 (As amended in 2002). An amendment in Company’s Act 2002 was done on the basis recommendation of Prof. Y.K. Alagh Committee (1998) to add a

corporate muscle to cooperatives so that it can bring effective management and good governance.

Farmer Producer Company (FPC) is a legal form of the company. These FPCs promoted by the farmers, will be run by farmers and for the benefit of the farmers. Paid staff can be employed to assist in the management of the company. The share capital of Producer Company shall consist of equity shares contributed by members only and member's equity cannot be publicly traded but can be transferred. The profits generated from the business of the company would be shared among the farmer members only in terms of dividends.

At present, across India, around 9500 FPC, have been registered and are in operation. And many of them are laying attention on crop planning, technology infusion, input supply and primary marketing and there is huge potential for these FPCs to leverage their presence in further up the value chain of the agriculture commodities. Hence there is a need to reassess the necessity of FPC because no other models can deal with all the problem of small farmers. As of now, the success of FPCs depends on several aspects including the leadership they get. Hence, it is important to create an environment to attract people with leadership skills.

The institution of FPC being relatively new, efforts are being made by the government and policy makers for making it as viable option of aggregation compared to other models of aggregation.

No doubt, the experience so far has shown a limited success, the model envisaged is comprehensive with professional management, provision for sharing of profit, reduction in transaction cost and can perform all the activities of supply chain in an organized manner. It is premature to conclude the sustainability of the FPC model. Given its constitution and merits of professionalism with a blend of democratic approach, the rate of success may increase over a period of time. In the light of the above facts, there is a need to ascertain the factors responsible for success of some of the FPCs, so that these good practices can be emulated for the other FPOs in the country.

Against this backdrop, an attempt has been made in this study to ascertain the impact of these FPCs on socio-economic conditions of farmers and other stakeholders, including employees of FPCs. Based on the outcome of the study, appropriate policy measures will be suggested for making this initiative a successful one.

Sl. No	CONTENT	Page No.
1	A Vibrant Business Model for Small Holders - Sahyadri Farmer Producer Company (SFPCL), Nasik, Maharashtra – A Case Study From Western Plateau and Hills Region	1-14
2	Tale of Women Empowerment by Millet Sisters: Susag Millets Producer Company Ltd.-A Case Study from Andhra Pradesh	15-25
3	Droplets to Ocean: Bhumitra Self-Reliant Farmers Producer Company Ltd.: – A Case Study From Aspirational District in Maharashtra	26-30
4	Reaping Benefits through Community in Hilly Areas – DevBhumi Natural Products Producer Company Pvt. Ltd.: - A Case Study From Uttarakhand	31-36
5	Milking Prosperity: Mulukanoor Women’s Mutually Aided Milk Producers Cooperative Union Ltd. (MWCD):. - A Case Study From Telangana	37-41
6	Building Lives – Brick by Brick: Dharani Farmers Producer Company Limited: – A Case Study From Aspirational District of Andhra Pradesh	42-46
7	Riding the Power through Collectivization: Ramalingeshwara Sustainable Agriculture Producer Company Limited: -A Case Study from Karnataka	47-51
8	Carving Success through Handicraft and Livestocks: -A Case Study of Adhimalai Pazhangndiyinar Producer Company Ltd, Tamil Nadu	52-57
9	Empowering Women through Group Approach, A Case Study of Jeevika Women Agri. Producer Company Limited. (JWAPCL) From Khagaria, Bihar	58-62
10	“Enabling Eco-Sustainability and Providing Safe Foods”: -A Case Study of Indian Organic Producer Company Ltd; Kerala	63-70
11	Sahaja Aharam Producer Company (SAPCO)-Hyderabad, An Organic Way For Empowering Farmers:- A Case Study From Telangana	71-78
12	Benefits of Collectivization: Iramdam United Food Producer Company Limited (IUFPC), Manipur: - A Case Study from Eastern Himalayan Region	79-83
13	Linking Tribal to Market - Maa Maulima Producer Company Ltd, Odisha: – A Case Study of Eastern Plateau and Hill Region	84-87
14	Value for Smallholder Farmers: Aranyak Agri Producer Company Limited, Bihar: – A Case Study From Middle Gangetic Plains	88-91
15	Epilogue	92-97
16	References	98-99



ACRONYMS

GoI	- Government of India
FIGs	- Farmers Interest Groups
SHGs	- Self Help Groups
CIGs	- Commodity Interest Groups
FPOs	- Farmer Producer Organisations
FPCs	- Farmer Producer Companies
Ltd	- Limited
RF	- Reliance Foundation
CEO	- Chief Executive Officer
SFAC	- Small Farmers Agri-Business Consortium
NABARD	- National Bank for Agricultural and Rural Development
NGOs	- Non Profit Organisations
PUC	- Paid Up Capital
ATMA	- Agricultural Technology Management Agency
AIF	- Agri-Infrastructure Fund
NIAM	- National Institute of Agricultural Marketing
MANAGE	- National Institute of Agricultural Extension Management
SAMETI	- State Agriculture Management and Extension Training Institute
MMT	- Million Metric Tons
NCDEX	- National Commodity and Derivatives Exchange Limited
WARDA	- Women's Advancement in Rural Development and Agriculture
NCML	- National Commodities Management Services Limited
ACCESS	- American Computerised Commodity Exchange System and Services
DA&FE	- Department of Agriculture and Farmers' Empowerment
CDB	- Community Development Block
PGS	- Participatory Guarantee System
ICS	- Internal Control System
APEDA	- Agricultural and Processed Food Products Export Development Authority
NPoP	- National Programme for Organic Production
USDA	- United States Department of Agriculture
IIMR	- Indian Institute of Millet Research
NTFP	- Non timber forest Product
NBR	- National Bureau of Asian research
CHC	- Custom Hiring Centres
LDS	- Livestock Development Services
FWWB	- Friends of Women's World Banking
ATI	- Administrative Training Institute

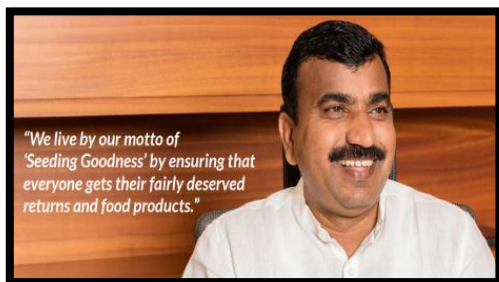
1. A VIBRANT BUSINESS MODEL FOR SMALL HOLDERS - SAHYADRI FARMER PRODUCER COMPANY (SFPCL) - NASIK, MAHARASHTRA: – A CASESTUDY FROM WESTERN PLATEAU AND HILLS REGION

1.1 OVERVIEW:

Sahyadri Farmer Producer Company Ltd. (SFPCL) head quartered at Nasik, came into being in the year 2011, as a revenue model, while ensuring reasonable returns to the farmers and quality and safe food to the consumers. SFPCL popularly known as



“Sahyadri Farms” is a leading farmer producer company working with 8000 farmer members with a capital base of ₹128 crore. The company is working with a tagline “of the farmers, by the farmers, for the farmers”. Sahyadri was a movement started by Shri. Vilas Shinde, Chairman of the company, with focus on the welfare of the farmers to get them their righteous due, while doing business profitably. It is pertinent here to mention a few words about the mentor of this FPC, Shri Vilas Shinde. Shri Shinde, after completing his Post-Graduation in Agricultural Engineering from MPKV, Rahuri, Maharashtra, worked in a private company for a brief period. However, he had a passion to make business out of agriculture which was his family occupation.



Shri. Vilas Shinde, Chairman

Initially, he started cultivating export quality of grapes and used to market the same through agents appointed by the export firms. He realized that the price paid by such agents was much lower compared to the international market price. This prompted him to explore an opportunity to sell his grapes directly to the exporting firms for better price compared to price paid by the agents. Due to low marketable surplus with him, he realized the need for scaling up by working with other farmers in the region. Hence, he started procuring the export quality grapes from farmers in his village and nearby villages for export of the same to Europe and other countries. Few years, this informal model

worked well. However, an unfortunate incident happened in 2010, where the entire consignment of grapes exported from India was rejected and all the exporters incurred heavy losses. Further, most of the exporters passed on their losses to the farmers. However, Shri Vilas Shinde who procured grapes worth ₹7 crore, paid the entire amount of the farmers. This helped him win permanent trust and loyalty of the farmers associated with him. This gesture of him led to a formation of ‘Sahyadri Farmer Producer Company Ltd. The idea behind this aggregation model was to buy all the Fruits & Vegetables offered by the farmers and help them in overcoming the problem of distress sale. The company was registered in the year 2011 with a mere share capital and with a turnover of Rs. 8 crore.

1.2 ORGANIZATIONAL STRUCTURE:

Sahyadri formed with around 10 farmers, now it is one of a leading farmer producer company, working with 8000 farmer members. The company operates in three tire model.

Basic Profile of Sahyadri FPO

Sl. No.	Particulars	Details
1.	Name of the Company	Sahyadri Farmers Producer Co. Ltd (Sahyadri Farms)
2.	Founded by	Mr. Vilas Shinde
3.	Year of establishment	27 th December 2010
4.	Category of the Company	Company Limited by Shares Indian Non-Government Company
5.	CIN	U01403MH2010PTC211392
6.	Address of company	SR. NO. 1102/8, Behind Police Head Quarter, At post Adgaon, Nashik, Maharashtra, India-422003
7.	Acres of land	23960+
8.	Villages covered	119+
9.	Registered farmers	7958+
10.	Countries served	42+
11.	Number of members	1.5 million
12.	Total turnover	2900 million
13.	Achievements so far	<ul style="list-style-type: none"> ✓ India's largest Grape producer ✓ India's First FPC with block chain technology, traceability and transparent & fair trade ✓ First to start incubation center for FPCs

1.3 FINANCIAL STATUS:

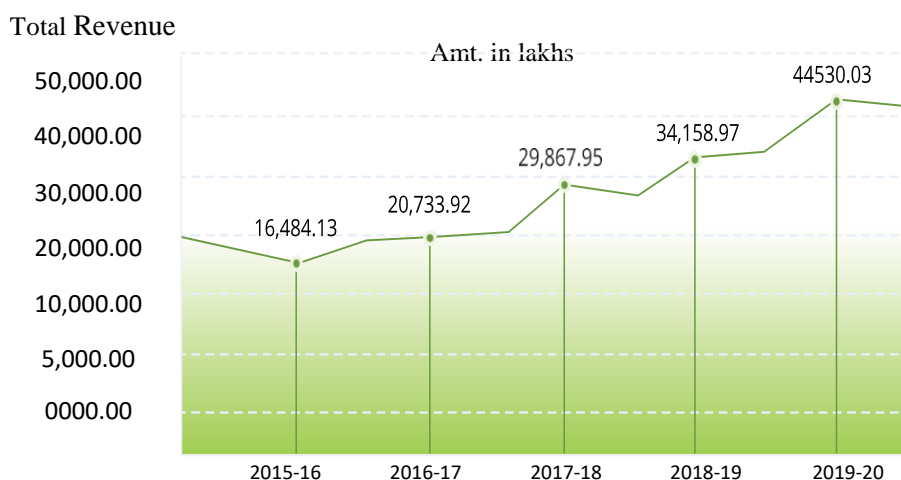
Table 1.1: Total revenue earned by Sahyadri (Amt. in lakhs)

Sl.No	Year	Revenue
1	2015-16	16484.13
2	2016-17	20,733.92
3	2017-18	29867.95
4	2018-19	34158.97
5	2019-20	44530.03

As of 2019-2020 company has whopping share capital amounting to Rs. 128 crores. The company is working with a tagline “of the farmers, by the farmers, for the farmers”. Presently it covers more than 190 villages and more than 23960 acres of land and reached the turnover of rupees 44530 lakhs in 2019-20

(fig.1) (Sahyadri Farms Annual report 2019-20).

Fig.1.1 2015-16 to 2019-20 Financial Performance of the Company



1.4 BUSINESS ACTIVITIES:

The Sahyadri Farms works in the Alandi, Kadwa, Pimpalgaon, Sawargaon, Sinnar, and Sonewadi zone of the Nashik district. Sahyadri Farms focused on fruits and vegetables such as grapes, pomegranate, banana, papaya, watermelon, musk melon, tomato, mango, sweet corn, vegetables, and rice. Among these crops, mainly

grapes were grown in over 5,000 acres of land producing 20,000 tons of grapes. Tomatoes were also grown in over 5,000 acres of land producing 55,000 tons and banana production can be found all over the year in about 500 acres of land producing 5,000 tons of the product. Vegetables were

Achievements so far.

- * India's largest Grape producer
- * India's largest grower and processor of tomato
- * India's largest fruits and vegetables handling facility
- * India's First FPC with block chain technology, traceability, and transparent & fair trade
- * India's First FPC to start incubation center for FPCs

cultivated in 6,000 acres of land producing 60,000 tons of the product. It is one of the largest exporters of fresh grapes to Europe constituting 17 percent of the total export to these countries.

It is also one of the largest producers of tomato puree which supplies to multinational companies such as Nestle, Kisan, *etc.* Sahyadri also produces sauce using its own raw material.

1.4.1 Three-Tier Business Management System:



Fig. 1.2: Three-tier management system

Sahyadri has a three-tier structure comprising the apex organization itself, crop-wise FPCs and farmers under them. The mandate of the crop-wise FPCs (for grapes as well as tomatoes, pomegranates, bananas, guavas and other fruits & vegetables) is to provide technical support to farmers, apart from undertaking aggregation, grading, sorting and packaging of produce. The apex Sahyadri FPC handles post-harvest management, processing, distribution and marketing, both for exports and the domestic market. The three tier comprises of a dedicated team for promoting business, providing crop advisories, creation of intra section, certification, branding, and marketing both domestic and export markets.

Table 1.2: Details of Prominent crops focused by Sahyadri Farms

Sl. No	Name of the Crop	Season	Farmers (No.)	Area (Acre)	Weightages (tonnes)
1.	Grapes	December to April	1500+	5,000+	20,000+
2.	Tomato	Throughout the Year	-	5,000+	55,000+

3.	Bananas	Throughout the Year	300+	500+	5,000+
4.	Pomegranate	Throughout the Year	300+	500+	3,000+
5.	Papaya	-	100+	150+	3,000+
6.	Vegetables - POT	Throughout the Year	600+	6,000+	60,000+
7.	Sweet Corn	Throughout the Year	1,000+	1,000+	5,000+
8.	Watermelon	Throughout the Year	130+	100+	1,000+
9.	Musk Melon	Throughout the Year	130+	100+	1,000+
10.	Mango	March to June	700+	1,500+	5,000+

Table 1.3: List of fresh fruits & vegetables and processed food by Sahyadri Farms

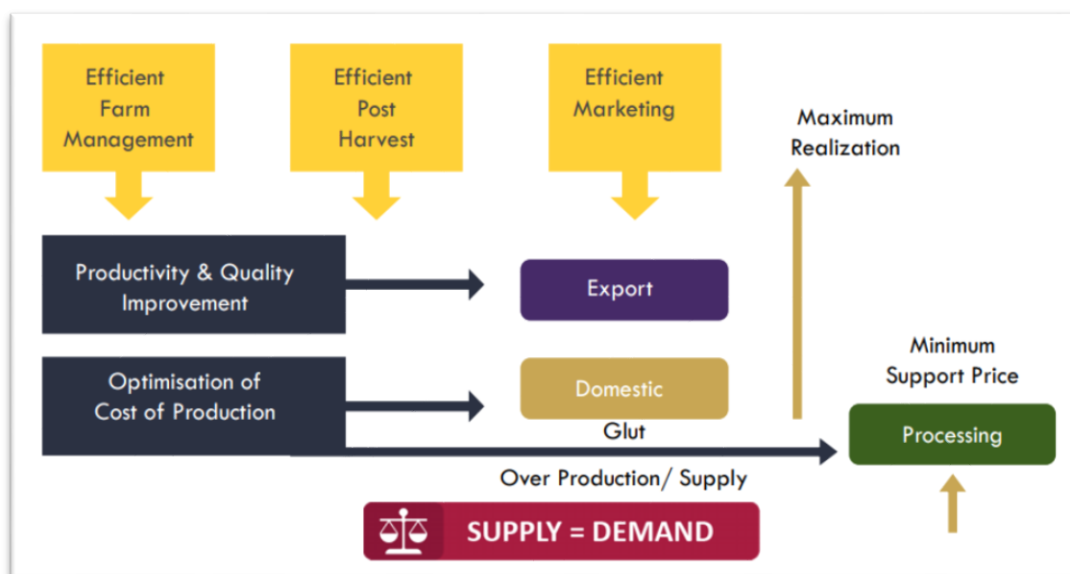
Fresh Fruits	Grapes, Mango, Pomegranate, Bananas, Watermelon, Musk Melon, Oranges, Papaya, Strawberry, Custard Apple
Fresh Vegetables	Onion, Tomato, Potato, Okra, Chilli, Capsicum, Drumstick Sweet Corn, Leafy, Cucumber, Ridge Gourd, Bottle Gourd Bitter Gourd, Pumpkin, Sponge Gourd, Cabbage, Cauliflower
IQF Fruits and Vegetables	Totapuri Mango Dices/Slices, Strawberry – Whole, Pomegranate Arils, Papaya Dices, Green Peas (500g, 1Kg) Sweet Corn (1Kg), Corn Cob, Okra, Carrot Dices, French Beans, Cauliflower, Onion Dices, Mixed Vegetable 3 & 4 Ways
Aseptic Fruit Pulp & Concentrates	Aseptic Alphonso Mango, Puree, Aseptic White, Guava Puree Aseptic Tomato Puree
Jams	Mixed Fruits (190g, 500gm Glass Bottle) Mango (190g, 500gm Glass Bottle) Strawberry (190Glass Bottle, 500 Glass Bottle)
Fruit Drinks	Mango (250ml, 500ml, 1l PET) Guava (250ml, 500ml, 1l PET) Aam Panna (250ml, 500ml, 1l PET)
Frozen Pulp	Frozen Totapuri Mango Pulp - Sweetened Frozen White Guava Pulp - Sweetened Frozen Alphonso Mango Pulp - Sweetened Alphonso Mango Pulp (sweetened) 1kg Pouch Guava Pulp 1kg Pouch
Ketchup	Ketchup (100g, 450g, 950g) Pouch Ketchup (200g, 500g, 1Kg Glass Bottle)
Processed Food Retail /B2C	Raisins - Black, Yellow (200,500 & 1kg Pouch)

Source: Sahyadri Farms

The Sahyadri Farms has an integrated AVC focusing on aseptic fruit pulp, frozen food, dry fruits, fruit juice, jam, ketchup and IQC fruits and vegetables. Figure 3. Shows that the Sahyadri Farms has an increasing trend in total sales over the years. Figure 4 shows the percentage change in total

sales and net profit. The data predicts that the percentage change in the net profit is found increasing over the years.

Fig. 1.3: business strategy of Sahyadri Farms



In spite of its exemplary performance so far Sahyadri is no exception to the challenges. The challenges are in terms of expansion of the business to other region and enrolling of a greater number of members into its ambit. Given the nature of perishability of fruits and vegetables, creation of requisite infrastructure is a herculean task. On the other hand, enrolling members in the other regions or districts would lead to logistics problem and may lead to increase in its transaction cost. The apex Sahyadri FPC handles post-harvest management, processing, distribution, and marketing, both for exports and the domestic market.

1.5 IMPACT:

1.5.1 Agri-Value Chain (AVC) of Sahyadri Farms:

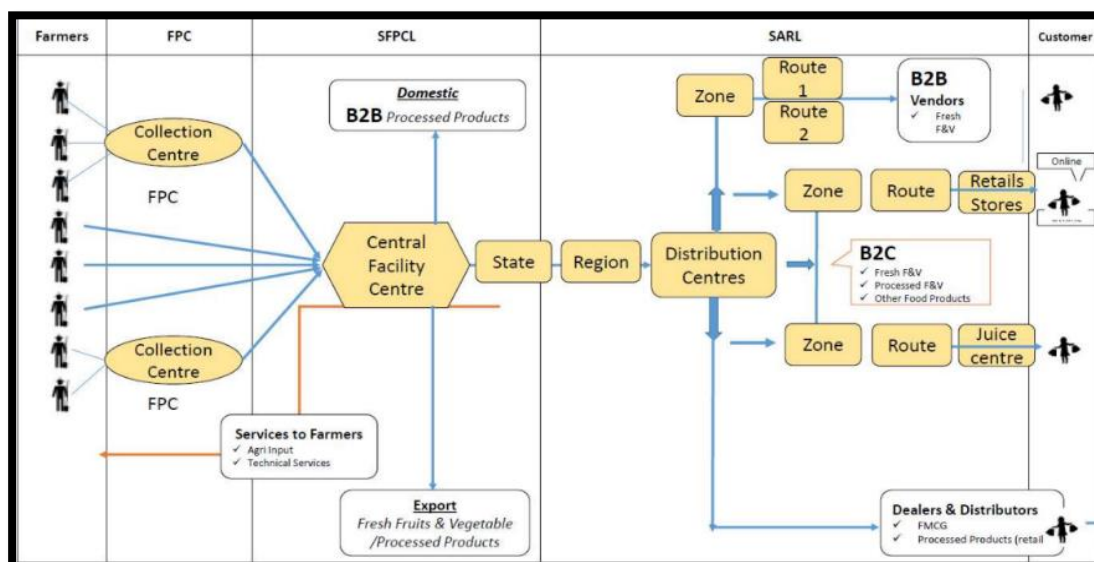
Sahyadri Farms focuses on high-income group people and position their product to working-class people who do not have time to go and purchase and are willing to spend more money to get nutritious and organic products. It is important to note that collective action has benefitted farmers in increasing their bargaining power and reducing the cost of operations. The market margin is higher for value-added products (Adhikari et al. 2017). It has been found that the value chain market margin is higher as they removed the middlemen from the chain and went for a direct marketing approach.

Table 1.4: Agri Value Chain (AVC) of Sahyadri Farms

1.	Major produce and Role in AVC	Dealing with vegetables and fruits, which are perishable products. The focus was given more to processed products to increase the utility.
2.	Marketing strategy	Direct marketing, Retail chain, e-Commerce, Wholesale,
3.	Technology adoption	Own website as well as own app
4.	Market catered	Domestic as well as export
5.	Role of actors	A form of the collective owned and managed by farmers.
6.	Information flow	The organization provides information to the FPO members.
7.	Transparency	All process is controlled by ERP and blockchain technology so there are complete trust and transparency.
8.	Vertical and hierarchical coordination	Chairman, board of members, and FPO members coordinate for AVC.
9.	Role of governance	Captive and modular governance.
10.	Benefits to chain partners	Assured market linkage and better price for the produce.
11.	Margin	The higher margin on the product because of direct marketing.
12.	Logistic drivers	Focused on building cold storage and infrastructure for building the value chain
13.	Cross-functional drivers	Pricing was focused to generate a value chain surplus.
14.	Network building	Build up a strong network through quality products in and across the country
15.	Competitive advantage	Sahyadri came to be known as a brand across the world.

Source: [Sneha et. al., \(2021\)](#)

Fig. 1.4: Sahyadri Farms domestic distribution model



1.5.2 Existing backend and frontend infrastructure at Sahyadri Farms

Over the last decade, Sahyadri Farms have steadily focused and developed all the necessary research and infrastructure facilities in-house. They have set strict standards of quality and safety throughout the production cycle and chose to adhere to them with no compromise. Also, super conscious about being sustainable and environmentally friendly during the process of development and growth. To nurture happiness amongst our family members, Sahyadri Farms have created a community area with a library that houses about 2500 books on various subjects and the number of books is steadily increasing.

1.5.3 Well Equipped Administration Building

The journey of Sahyadri Farms showcases the power of sheer determination and commitment of a highly capable leadership team. To nurture happiness amongst our family members, Sahyadri Farms have created a community area with a library that houses about 2500 books on various subjects and the number of books is steadily increasing. Along with a town hall to host regular meetings to update employees on the goings-on at Sahyadri, Sahyadri Farms also have an amphitheatre, gym and sports centre for overall development of our team members. Community Area Includes Library, Town hall, Amphitheatre, Gymnasium and Sports centre. Today, Sahyadri Farms have a 65-acre state-of-the-art campus in Mohadi, Nashik, India. Also, a 30,000 square feet agricultural input and processing facility, numerous weather stations and a farmer's mall to cater to all needs of the farmers. Additionally, a solar power for over 30 percent usage and composting of all vegetable and fruit waste for use as fertilizer for our own crop produce.

1.5.4 The processing units and value-added capabilities include:

- High volume pack-houses handling 250 tons of table grapes per day and employing around 2000 people.
- State-of-the-art, large cold storage facilities capable of storing over 6000 tons of fresh fruits and vegetables.
- Natural and safe carbide free fruit ripening chambers
- Modern and safe aseptic processing units
- Value-added services for vegetable grading, sorting, dicing, packing, and freezing units

1.5.5 KISANHUB Platform:

It gives complete visibility to the supply chain by directly connecting with farmers and by providing agronomist advice that delivers optimal crop quality and yield. The platform provides

advisory on pest/diseases, fertilizer application, irrigation management and yield prediction so



farmers can apply right input of a right product at the right time and in the right quantity. The platform connects enterprises with their growers to provide crop intelligence through crop-specific apps. It is focused on in-season agronomy advice on pest/diseases, fertilizer application, irrigation management, and yield prediction to reduce the

input costs and improve profit margins. These insights are provided to farmers and their enterprises by assimilating and aggregating disparate datasets.

1.5.5.1 Farmer's Facility Centre: Established to cater to the needs of the farm members and it is a One Stop Solution for All Farming Needs

1.5.6 Sahyadri Farms Retail:

Sahyadri Farms wants to encourage the seed to plate approach for farmer-owned companies via the retail stores business and generate employment for rural youth and the unemployed. The retail business includes fresh Fruits & Vegetables; value-added products and also farm products as Milk & Milk Products, Bread and Eggs, *etc.* Other categories of products are also planned to be included from other FPOs, co-operatives, and self-help groups, *etc.*, who are aligned with the Sahyadri philosophy. Sahyadri Farms aims to solve the farmers' marketing issues so that the farmers can focus on quality and productivity and provide safe, healthy, affordable farm produce and value-added products to end consumers to manage 200 retail stores with a 3-lac loyal customer base.

✚ Sahyadri in the words of Farmer Members:

Shri. Ramdas Patil has been member of Sahyadri Farmer Produce Company for the past seven years. He opines that the company has won the trust of the farmers. Farmers are sure of transparency in transaction and business activities of the company. He stated, "Due to marketing policy of the company, number of intermediaries got reduced and thus, members are getting remunerative price for their produce".

Shri. Nana Pawar says that due to company's policy of providing backward linkage and forward linkage, members are getting solutions for all the problems relating to production and marketing under a single umbrella.

Shri. Somnath Patil shared his experience of working with Sahyadri Farmer Producer Company Ltd. Before working as a member of Sahyadri, his experience with other export agencies was not satisfactory as he received lower price compared to the price paid by this company. Payment for the sale proceeds is made timely by the Sahyadri Farmer Producer Company Ltd.

Sahyadri in the words of Consumers:

- Arya, Shah Heights, and Kharghar - My daughter never eats fruits and thanks to Sahyadri Farms, she is now inclined to have fruits sold in the retail outlet of the company due to its freshness and quality maintained by the company.
- A patron from Kendriya Vihar, Kharghar said, Sahyadri Farms vegetables are very fresh, clean, and last for a longer time. Much better than what I used to buy earlier from vendors.
- A regular patron from Kendriya Vihar, Kharghar admitted the veggies are fresh, especially the leafy ones and they even last over a week while the ones we buy from others must be used up immediately. I am loving all the products from Sahyadri Farms.

Box 1: Empowering women- she had a debt of Rs. 30 lakhs now she earns more than that in one year!



Sangeeta Boraste took the responsibility of farming after losing her husband in 2014. Overcoming challenges, she generates a business of Rs 40 Lakh a year. Sangeeta says she only knew how to get work done from farm laborer, and “didn’t even know the basics of farming”. But having to let go of the laborer, she had to take things into her own hands. Recalling an incident from her days of struggle, she says, “I remember one evening during

Diwali, I was in the field till 9 pm, struggling to get a tractor out that was stuck in the field.” However, she later received assistance from Sahyadri Farms, who helped her market grapes abroad. “I worked hard to improve the quality of grapes to make them eligible for exports. Today, over 50 per cent of the grape produce gets exported each year,” Sangeeta tells *The Better India*. The farmer not only paid-off her debts but started earning Rs 40 lakh a year. (Source: [The better India \(2020\)](#))

1.6 SECRET OF SUCCESS:

- 1) **“For the farmers, by the farmers and of the farmers”** - The Company working with farmers mainly runs with the active participation of the farmer-members. The success of the Sahyadri Farmer Producer Company would not have been possible without the commitment of its loyal members. The company has earned the loyalty of the members by working closely with them for their benefits and wellbeing. The farmer-members feel as if they are the citizens of the brand Sahyadri Farms”. Now, both the company management and the farmer-members are complementing each other by making the company sustainable and profitable.
- 2) **Pioneer A pioneer in many ways:** Sahyadri is India’s largest Grape producer, largest grower and processor of tomato, have largest fruits and vegetables handling facility, first FPC with block chain technology, traceability and transparent & fair trade and first FPC to start incubation center for FPCs
- 3) **Robust Supply chain:** Sahyadri have invested heavily in supply chain at Sahyadri Farms, they have built world-class infrastructure and processing facilities that ensure to work on a

sufficiently large scale which is beneficial to both farmers and our consumers. The Post-harvest management information and allied processes are structured from farm level to the end customer. They have created excellent temperature-controlled storage space within our premises, they also own a large fleet for mid mile deliveries and for last mile delivery they have tie ups with local vendor.

- 4) **Participatory Approach** – The farmer-members are very much involved in decision making process of the company and some of the technically qualified farmers do also work as technical advisors for the company on their respective subjects of specialization.
- 5) **Leadership** – The success of the SFPC can be attributed mainly to unique leadership of founder Shri Vilas Shinde. He was convinced about the business opportunities lying in agriculture right in the beginning of his career. This made him try his luck by establishing Sahyadri Farmer Producer Company after being failure in two previous agriculture- based ventures. His ability for risk-taking and entrepreneurship helped him identify business opportunity that made him see success by establishing Sahyadri Farmer Producer Company.
- 6) **Commitment of Employees and Professionalism** – Employees consider the activities and objectives of the company as a movement. This speaks volumes about the level of motivation of the employees. The Company has the motto ‘for the Farmers, by the farmers and of the farmers. The entire team of staff and management is working with this motto with utmost honesty and sincerity. The company has been successful in inculcating the spirit of professionalism amongst its staff and management. There are engineers, accountants, company secretary, management professionals, food-technologists etc. working in the company within well-defined structure of the organization.
- 7) **Legal Compliance** - The Company is complying with all the legal requirements like FSSAI, Companies Act and other State Acts/Rules. The Company is also complying with standard practices of storage, packaging, processing, transportation and hygiene. This has helped the Company to have access to international market, minimize rejection and operate on thin margin making it competitive in the market.
- 8) **Efficient Internal Governance** – The CEO and managers of the Company are well aware about their roles and responsibilities in the company and work hard to deliver results. The clarity about the roles and responsibilities of the functionaries and their activities leading to realization of the objectives of the company are noteworthy in the sense that there is a

formal structure operating within an informal environment. Thus, governance is ensured not because of rules and regulations but because of the commitment of the people. This sort of functioning is very much compatible with the work culture of farmers. The farmer-members also get ample scope to contribute to the day-to-day operations of the company through different committees / sub-committees.

- 9) **Vertical and Horizontal Integration** – The company has put in place integrated supply chains of different produce by bringing about both backward and forward linkages through vertical integration. The company is also expanding its business horizontally by setting up retail outlets, input business, insurance for farmers etc. This sort of diversification not only helps the company in providing insurance coverage for their business risk, but also in making utmost utilization of its infrastructure and technical manpower.
- 10) **Non-bureaucratic style of functioning** – Though the organization has a hierarchy, the communication amongst functionaries works like that of a flat organization, as any farmer-member or any manager can speak to the Chairman or any Senior Manager directly. Thus, the organization does not suffer from the dysfunctional aspects of a bureaucratic setup.
- 11) **Harmony with Local Culture of farmers**– The Company has aligned its objective with the wellbeing of the farmers it is working with. The technologies and new practices are introduced in such a manner that the same are compatible with the local environment and culture for their smooth adoption and sustainability.
- 12) **The State of Art Technology and Infrastructure** – The Company, over the years, has developed state- of- the art technology and infrastructure which provides it the leverage to have access to international market.
- 13) **Timely tapping of the market** – The Company, no doubt, has inherent locational advantage of being in close proximity to two major consumption markets i.e., Mumbai and Pune, but what is really important is that the company has adopted appropriate strategies in its product diversification to tap the demand of the market. It has developed a range of products and follows a deliver mechanism to supply in a timely manner to the consumer a competitive price.
- 14) **Branding and its maintenance** – The Company has substantially invested in its brand i.e., Sahyadri Farmer Producer Company. It has built up its brand-equity by coming up with quality products through a full-proof quality management system. It is not only measuring up to the expectations of the export market, but also supplying quality products to different

established retail chains of Mumbai and Pune. It is also selling its branded products through its own retail outlets.

15) **Capacity Building** – Farmers get requisite training through the extension workers of the company at different stages of crop production. The capacity building and extension programmes of the company has helped the farmers in adopting the requisite technologies.

1.6.1 Milestones of Sahyadri Farms

2010-2013	Sahyadri Farms established as a Farmer Producer company (FPC) and branded themselves as "Sahyadri Farms" - a Farmer Producer Company (FPC). Sahyadri Farms also acquired land for a food processing facility at Mohadi, Nashik in the year 2011. Sahyadri Farms strength grew in numbers as well and our group of farmers quadrupled from 2010 and reached 450 farmers in the year 2013. This laid the foundation for integrated food processing capabilities established in the year 2013.
2014	Sahyadri Farms included 1007 marginal farmers as part of the company. Sahyadri Farms were declared India's leading exporter of fresh grapes this year. Sahyadri Farms successfully shipped 625 containers of great tasting, fresh grapes amounting to 9000MT quantity valued at US\$ 17 million.
2015	Sahyadri Farms set-up Retail Division, Processed Foods Division and Agri-Inputs Division. This paved the way to establish Agri-Inputs Division under the current "Farmers Facility Centre" Sahyadri Farms also started allocating shares of the company to farmers and allocated shares to the first 206 Farmers.
2016	Exported Grapes to the tune of 904 containers. Exported processed products to Europe, USA & Canada Exported IQF grape to Australia and are the first company to do so. Started manufacturing Tomato Paste. Allocated shared to an additional 188 farmers. Imported Patented table Grape Varieties ARRA 15 & Iniagrape 1. Opened first domestic Retail shop
2017	Exported grapes to the tune of 1150 containers. Exported processed food to Africa & Gulf Country. Received CII Cold Chain Awards for Outstanding Performance Pack house - large segment. Installed 9 Weather stations to provide information to Farmers. Imported table grape variety - ARRA 19 from GRAPA, California. Collaborated with Kisanhub for digital advisory to farmers
2018	Exported grapes to the tune of 1162 containers. Added 192 shareholders. Started exporting Frozen Strawberry to Japan. Entered an MOU with Tata Strive for Agri Industry Skill Development. Entered an MOU with Future Retail to supply fresh fruits & vegetables. Upgraded to FSSC from ISO 22000: 2005. Started facility for value added products like Jam, Ketchup, and Hot fill Juice, Aseptic products. Started new Pack House for grapes with state-of-the-art packaging line
2019	Exported grapes to the tune of 1481 Containers. Started Jam, Ketchup & Squash Private Label Production at Mohadi plant for Hindustan Unilever Ltd. Expanded

	Cold Storage facility from 2000MT to 5000 MT. Started commercial production of patented table grapes varieties (IniaGrape-1, Black Seedless & Arra15, White Seedless) originally imported from California and Chile.
2020	Successfully tested Block chain pilot for transparency and traceability. 55,000+ metric tons of tomatoes were processed, making us largest tomato processor in India. Successfully implemented SAP and became first farmer collective to do so. Tackled the Covid-19 situation and protected our farmers and launched a B2C App for delivering boxes of fruits and vegetables to Mumbai, Pune and Nashik.

1.7 CONCLUSION AND REMARKS:

Sahyadri Farmers Producer Co. Ltd., a leading farmers company in India mainly operating in horticulture crops. The company is one of the biggest exporters of fresh fruits and vegetables. As also expanding strongly into domestic to international trade, retail as well processed food segment. In its endeavor to make farming a profitable and sustainable business for small farmers, the company has ventured into crop-specific business categories viz Grapes, Pomegranate, Banana & Papaya, Citrus, Cole Crop, Leafy crops, *etc.*

The Sahyadri Farms has established itself as a leading AVC firm developing a strong network design in less than a decade time and has become a largest exporter of grapes from India. It has proven the ability of business diversification and sustaining the AVC. The study also concludes that leadership played an important role in the success of the collectives.

The capacity of the leader of a company to conceive an idea and translate it into a business and push it forward through its rough and tumble is something worth quoting as an inspiring example for others. An association of committed team of workers and loyal farmer members is sine qua non for evolving a common goal for the success of a Farmer Producer Company. Furthermore, the culture of a FPC should necessarily be farmer-friendly for its long-term success. Besides, ability to tap the opportunity through a balanced produce mix and diversification as per requirements of domestic and international market and strategies to deliver the same to the consumer in time-bound manner at competitive prices are some of the other business principles to be followed by a FPC. Though a company may have different stakeholders operating at different levels with varied interests including financial stakes, what counts as a necessary condition for ensuring its long-term success is the democratic principle of ‘for the farmers, by the farmers and of the farmers’.

2. TALE OF WOMEN EMPOWERMENT BY MILLET SISTERS: SUSAG MILLETS PRODUCER COMPANY LTD.: - A CASE STUDY FROM ANDHRA PRADESH

2.1 OVERVIEW:

Visakhapatnam district in Andhra Pradesh is one of the North-Eastern Coastal districts with the highest Scheduled Tribe Population in the state and has two distinct Geographic divisions' viz., Plains division and Agency Division. An agency division predominately host tribal population.

The gender relations in a tribal society seem to be relatively egalitarian with women enjoying quite a high social status and economic value compared to their non-tribal counterparts. Traditionally, tribal women and men had equal access to lands, livestock and resources, and thus was conducive to the collectivization. However, as a result of the integration and assimilation efforts of dominant culture, capitalistic systems and the ideal of individual ownership, tribal women in particular experience fewer opportunities to access their natural resource and

The Millet Sisters Brigade was initiated to promote millet cultivation through natural farming.

The primary objective is to tackle malnutrition and promote good health in tribal areas.



Name and Address: Susag Millets Producer Company Limited
Mamidipalem Village, Anakapalli Mandal
Visakhapatnam Dist-531032, Andhra Pradesh,
Contact No: 9398854526 E-mail: susagmilletsfpo@gmail.com

Vision:

The SMPCL has been established with a vision to enhance organic millet cultivation in order to meet the food and nutrition security among people, as well as to increase the income and services to the millet sisters.

lands. As a consequence, Gender relations within tribal society have been changing (Narasimham and Rao 2017). Besides, in this region, women are facing challenges in terms of food and nutritional security and other gender related aspects. Observing these challenges faced by the tribal women in agency areas of Visakhapatnam district in addressing the food and nutritional security, Shri Sarada Valley Development Samithi (SVDS) a

community-based organization working for the last 3 decades in the district has established a “*Millet Sisters Brigade*” with women millet farmers from Pedabayalu and Anakapalli mandals of Visakhapatnam District.

The Millet Sisters Brigade was initiated with an objective of promoting the millet cultivation through natural farming. Since the primary objective is to tackle malnutrition and promote good health in tribal area, SVDS has encouraged all the millet sisters to consume their own produce and market only their surplus. In doing so, the merits of collectivization have led to the growth of millet sister brigade and has expanded its production, coupled with well-designed marketing strategy. Expanding and sustaining this collectivization process has necessitated institution building, infrastructure such as an office building, storage facilities for harvested grain, processing facilities for the grain, and producing value added products such as biscuits, vermicelli, semolina and snacks etc., This phenomenal growth of the group prompted SVDS to promote Susag Millet Producer Company. SMPCL was registered under Companies Act on 10-02-2016 and operating with 100 percent Millet Sisters i.e., women millet farmers from Pedabayalu and Anakapalli Mandals of Visakhapatnam District.

Goal of SMPCL

Susag Millets Producer Company Limited aims to enhance livelihood among millet farmers through production, processing and marketing of millets, and conserve the ecological diversity of the area through conservation of natural resources viz., land, water and forest.

The cohesiveness among group, collective efforts of women members, and realization of millet crops in nutrition management have motivated the members of the producer company to go for cultivation, marketing and processing. The other crops grown by the members are organic cultivation of pulses, turmeric, pepper and tamarind. This approach of covering other crops in the fold of business of the company, has a potential for attaining sustainability of FPC in the region.

2.2 ORGANIZATIONAL STRUCTURE:

The producer company has a potential management structure and well-trained staff involved in various activities. The company constitutes five (05) Board of Directors who all are women. They also organize Annual General Body Meetings.

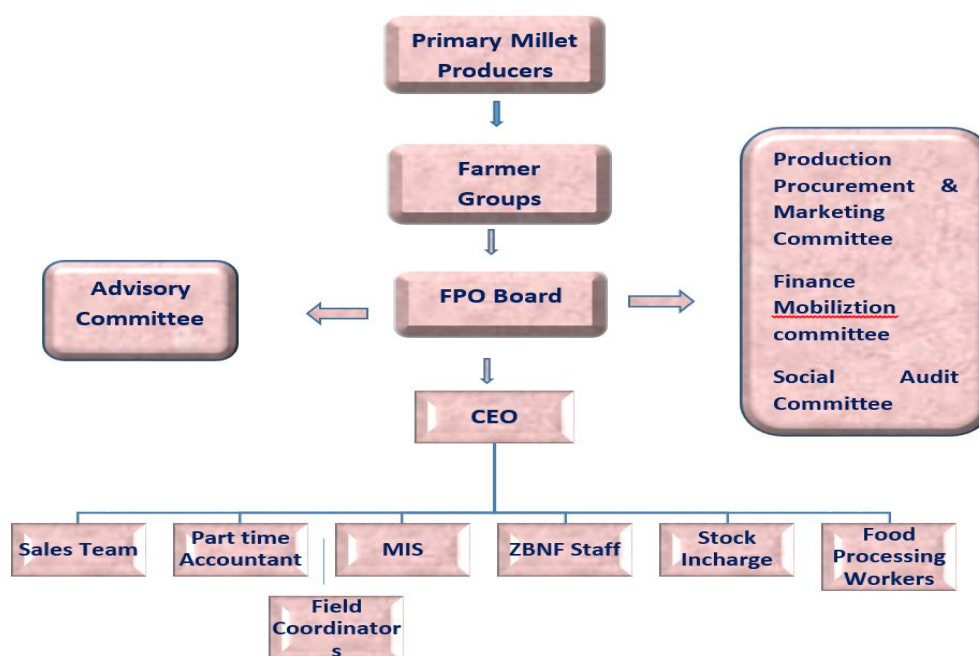
For democratic and transparent business activities, SMPCL has formed three subcommittees via

- 1) Production, Procurement and Marketing Committee

- 2) Finance Mobilization Committee
- 3) Social Audit Committee

SMPCL has appointed a fulltime CEO to look after day-to-day business, 1 part time accountant, 9 field coordinators, 1 stock in-charge, 2 field marketing persons, 1 sales woman for managing Rural Mart and 1 MIS in-charge.

Fig.2.1-Organizational structure of the company



Basic Profile of Susag FPO

Sl. No.	Particulars	Details
1.	Name of the Company	Susag Millets Producer Company Limited
2.	Founded by/CEOs	Sarada Valley Development Samithi
3.	Year of establishment	10-02-2016
4.	Form of cooperative	Farmer Producer Company (FPC)
5.	Category of the Company	Company Limited by Shares Indian Non-Government Company
6.	CIN	U01400AP2016PTC098266
7.	Address of company	Susag Millets Producer Company Limited Mamidipalem Village, Anakapalli Mandal Visakhapatnam Dist-531032, Andhra Pradesh, Contact No: 9398854526 E-mail: susagmilletsfpo@gmail.com
8.	District covered	Vishakhapatnam

9.	Land covered	2000 acres cultivating millets
10.	Authorized Share Capital	Rs.30 lakhs
11.	Paid Up Share Capital	Rs.12.30 lakhs
12.	Number of members	960 (787 from tribal area)
13.	Total turnover	Rs.43,12,903 during 2019-20
14.	Board of Directors	5
15.	Human Resource	
16.	CEO, Nutritionist Sales, Woman-Rural Mart, CA, Stock In-charge, PRP, Part Time Accountant	1 each

2.3 FINANCIAL STATUS:

As of 2019-20 company was incorporated with an authorized share capital of Rs.30 lakhs and a paid-up capital of Rs. 12.30 lakh. About 960 (787 from the tribal area) millet sisters from 53 villages have been enrolled as members (100.00 % women members) mobilizing a share capital of Rs.12.30 lakhs.

Table-2.1: Financial Status of the Producer Company for the last Four Years

Year	Paid-up Share Capital	Reserves	Profit Before Tax	Profit After Tax	Turn Over
2016-17	275000	-6915	0	0	725550
2017-18	480000	11649	22604	18564	1816679
2018-19	750000	55473	53364	43824	7899249
2019-20	1230000	91790	46317	36317	4312903

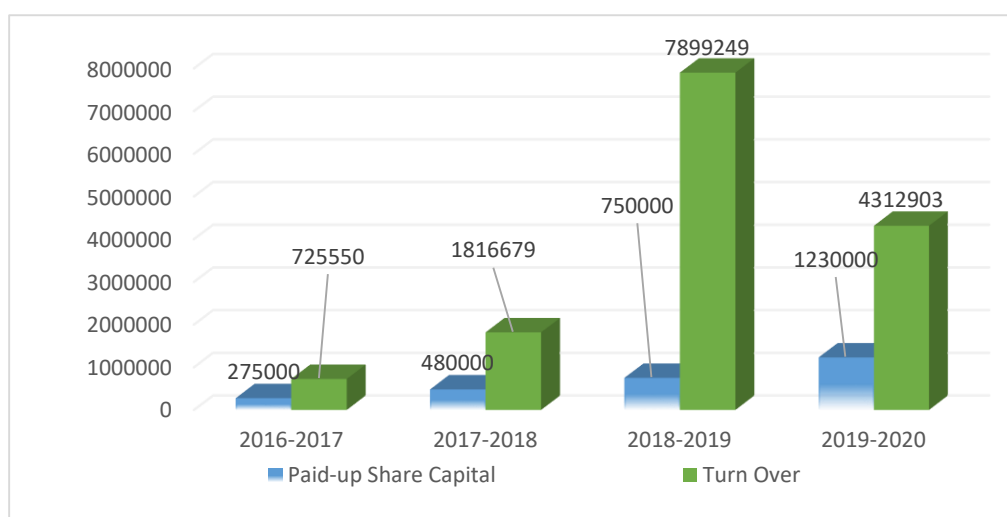


Fig.2.2: Financial Status of the SMPCL for the Past Four Years

From the last three years efforts and initiatives are taken by the promoter i.e., SVDS as well as the producer company, they succeeded in increasing of the paid-up share capital from Year on year the latter could be able to increase the paid-up share capital 2.75 lakh to 12.30 lakhs and turnover of the company reached from 7.25 lakh to around 43.13 lakh since the time of incorporation (Fig.2.2).

Credit Linkage:

With regard to financial assistance, the producer company has established bank linkages with NABKISAN Finance Ltd, NABARD and SFAC. The term loans and working capital were sanctioned by NABKISAN. NABARD has sanctioned Rs. 2.5 lakhs for establishing a processing machinery and SFAC has sanctioned an equity grant of Rs 4.80 lakhs. The details of financial grants from NABKISAN are mentioned in the Table- 2.2 below.

Table-2.2: Financial Grants to SMPCL from NABKISAN

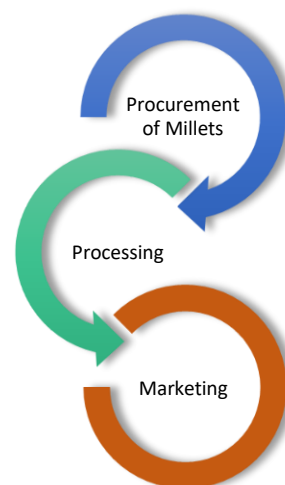
Name of the Bank/organization from which loan is availed	Type of loan	Date of Sanction	Amt. in Rs.
Nabkisan Finance Limited	Working Capital	14-03-2018	27,00,000
Nabkisan Finance Limited	Term Loan	08-11-2019	6,79,000
Nabkisan Finance Limited	Working Capital	08-11-2019	62,21,000

2.4 BUSINESS ACTIVITIES:

2.4.1 Promotion of Millets: The producer company encourages the millet sisters to enhance millet cultivation through natural farming to address the issues of malnutrition.

2.4.2 Input services: all the members of the millet sisters PC will be provided with necessary bio inputs for the cultivation of millets

2.4.3 Financial Assistance: The producer company has established credit linkages with Nationalized Banks and Financial Institutions for mobilization of fund for new initiatives taken up by the millet sisters



2.4.4 Convergence with Line Departments: SMPCL Strengthen the convergence with line departments for getting technical assistance. The PC receives technical guidance from ICAR-IIMR and Krishi Vigyan Kendras (KVKs)

2.4.5 Capacity Building Programs: SMPCL is involved in organizing training on the preparation of bio-inputs, organizes exposure visits to food processing industries to have firsthand knowledge on the preparation of millet-based value-added products.

2.4.6 Marketing: The FPC is involved in the procurement of raw produce from the members in different villages and finally processes the raw produce at FPC's processing unit. The processed millets are supplied to the final consumers.

2.4.7 Credit Linkage: With regard to financial assistance, the producer company has established bank linkages with NABKISAN Finance Ltd, NABARD and SFAC. The term loans and working capital were sanctioned by NABKISAN. NABARD has sanctioned Rs. 2.5 lakhs for establishing a processing machinery and SFAC has sanctioned an equity grant of Rs 4.80 lakhs.

2.4.8 Convergence with Line Department: Susag millet PC has a strong convergence with line departments Viz., it has signed an agreement with ATMA Visakhapatnam for enhancing millets in 2000 acres in Pedabayalu Mandal. It has an agreement with RYSS on Zero Budget Natural Farming (ZBNF) for Pedabayalu Mandal. Under the ZBNF project, RYSS granted support for appointing staff to Susag FPC.

2.4.9 Resources possessed: The SMPCL has established one Rural Mart with the support of NABARD and purchased one oven and ragi vermicelli machine with the loan from Bank of Maharashtra.

2.4.10 Market Linkages: with its well-trained staff members, SMPCL could be able to sell its value-added products by arranging retail outlets near apartments, local sandies, and local shops.

2.4.11 Approach/Strategy: In order to motivate other farmers and increase the number of shareholders, the FPC organizes village level meetings, conducts bio-diversity festivals in villages highlighting the importance of millets in nutritional security. The compliance of legal issues, attaining professionalism, management and operation of the company efficiently by the board of Directors. This process is facilitated by the SVDS. The professionalism is reflected in the kind of management structure in place, taking care of both management and business aspects.

Arranging Stalls and Demos for increasing sales



Biodiversity festivals



2.5 IMPACT:

Susag millet PC has a strong convergence with line departments Viz., It has signed an agreement with ATMA Visakhapatnam for enhancing millets in 2000 acres in Pedabayalu Mandal. Has an agreement with RYSS on Zero Budget Natural Farming (ZBNF) for Pedabayalu Mandal. Under the ZBNF project, RYSS granted support for appointing staff to Susag FPC. The SMPCL has established one Rural Mart with the support of NABARD and purchased one oven and ragi vermicelli machine with the loan from the Bank of Maharashtra. With its well-trained staff members, SMPCL could be able to sell its value-added products by arranging retail outlets near apartments, local candies, and local shops. Regarding financial assistance, the producer company has established bank linkages with NABKISAN Finance Ltd, NABARD, and SFAC. The term loans and working capital were sanctioned by NABKISAN. NABARD has sanctioned Rs. 2.5 lakhs for establishing processing machinery and SFAC has sanctioned an equity grant of Rs 4.80 lakhs. To motivate other farmers and increase the number of shareholders, the FPC organizes village-level meetings, conducts bio-diversity festivals in villages to highlight the importance of millets in nutritional security.

2.5.1 Role of Shri Sarada Valley Development Samithi (SVDS) in promoting Susag

1. Organizes tie-up meetings between FPOs and buyers for marketing of produce.
2. SVDS provides trainings for all the members on customer relation, marketing analysis, customer services, advertising and promotions etc.
3. Conducts trainings to the millet sisters on LEDP and MEDP for enhancing their livelihood entrepreneurship with the support of NABARD
4. Assisted in acquiring FSSAI license and organic certification so as to fetch higher price for FPOs' products, increase the increment of services for FPO members and also with a motto of imparting organic food to the people.
5. SVDS organizes exposure visits to CFTRI-Mysore in order to train the women members on millet recipes and processing activities.
6. SVDS provided trainings to the millet sisters on health and ecological benefits of millet consumption, multi-cropping and uses of organic methods.
7. It also facilitated Susag Millets FPO to recruit the Food Processing Workers who already got trained on Micro Enterprise Development Program (MEDP), LEDP and a Nutritionist for processing, storing, value addition and packing, product analysis etc.
8. As Susag Millets FPO is working on tribal area, SVDS encouraged this FPO to work on commercial crops such as tamarind, turmeric and pepper as a part of business strategy for increasing the sales.
9. Facilitates all the FPOs to conduct demo plots, exhibit the products in stalls with the support of NABARD, cultural activities for attracting customers etc in order to increase the marketing linkages.

2.5.2 Achievements

1. Honored in the Winner Category of Vijayalaxmi Das-A Friend of Women FPO award
2. Susag Millets FPC is in the A grade in NABFPO Digitization

Moments of Susag Members Receiving Awards



2.5.3 Challenges Faced by SMPCL

1. Lack of proper scientific storage of the produce due to which the quality of pulses are being deteriorated
2. No sufficient space for processing and selling the commodities.
3. Requires capacity building training for strengthening the marketing and value addition technology to bring wide range of products.

2.5.4 SMPCL'S SECRET OF SUCCESS

1. Concern for tribal women in addressing the malnutrition and practice of natural farming in more than 2000 acres
2. Organizing livelihood enhancement-based trainings to the millet sisters who are interested to become entrepreneurs
3. Knowledge sharing, field level exposures, onsite meetings at mass levels *etc.* have enabled each member of the FPO to realize their ownership, roles & responsibilities
4. Decentralized administration enabled the FPO to procure the entire produce at each member level up to last grain over and the above their family self-consumption
5. A well coordination the sub committees made them to realize the marketing potential, and thereby developing business strategies for purchase/sale of produce in a balanced manner.
6. Strong teamwork, layering of various capacity building works, timely pumping of convergence schemes with relevant departments, transparent administration *etc.*
7. Dedicated staff with special duties for taking care of bookkeeping (MIS), Marketing wing, Stock management, Food processing team *etc.*
8. Millet Sisters are the active partners of All India Millet Sisters Network (AIMS) from North Coastal AP.

2.5.5 KEY FACTORS FOR SUCCESS

1. Susag millets FPC has its own, establish and run mills, factories, processing plants and carry on the business of procuring, handling, processing, preserving, packaging, marketing, selling of all kinds of millets and other organic agricultural products and to bring more dry land to millet cultivation and to export all varieties of raw and processed millets.
2. Promotion and formation of village level associations or groups to cultivate millets, pulses (red gram, cowpea, beans, green gram, black gram, lentils) and oil seeds (sesame, niger, amaranthus, safflower and mustard) and other products in order to provide livelihood and empower women farmers in particular.
3. Organizing collective farming, to connect rural farms with urban market and run shops for millet recipes in towns, cities and villages.
4. Organizing seminars, workshops for the benefit of small farmers/producers and to educate them to produce traditional foods like millets (pest free crops) which help in bringing bio diversity, climate change, control malnutrition and water scarcity, useful for soil enrichment, environmental, food safety and food sovereignty to farming community
5. cultivate millet crops and to adopt millet-cropping practices to raise goats and cows which indirectly provides manure for organic cultivation
6. Welfare activities and programs for the benefit of millet farmers such as, launching savings and credit schemes, providing financial assistance to the producers through Government, Mutual Aided Co-operative Thrift Societies, Banks and other institutions, insurance coverage, conducting medical and health camps, running schools, training centers for the producer families and their children
7. To carry on the business and to acquire land and buildings for construction of godown, to erect, build, take on lease/rent and manage agricultural farms, seed farms, ware houses, cold storage houses and other buildings and undertaking necessary or expedient for carrying on the business of the company by purchasing or leasing required land and buildings to carry out the objectives

2.6 CONCLUSION AND REMARKS:

Susag FPC is actively promoting millet cultivation through natural farming in the tribals-dominated district of Andhra-Pradesh. The SMFPC has achieved tremendous success in terms of its functioning and performance. The unique element of this is it's an all women FPC, and thus paving the way for women empowerment. Knowledge sharing, field-level exposures, onsite meetings at mass levels, *etc.* have enabled each member of the FPO to realize their ownership, roles & responsibilities. Decentralized administration enabled the FPO to procure the entire produce at each member level up to last grain over and above their family self-consumption. With its effort, Millet Sisters become the active partner of All India Millet Sisters Network (AIMS) from North Coastal AP. Given rising demand for millets in urban diet, major proportion of urban population looking for a safe food and diabetic friendly nature of these produce, there is a vast scope for expanding business by this FPC. Small interventions like certification, branding and financing will go a long way in mincing this FPC one of the best in the country

Way Forward

1. The producer company has planned to establish an *'Immunity Centric Supply Chain'* by including immunity boosters such as millets, turmeric, pepper etc., for which NABARD has sanctioned one LEDP program on millet value chain to SVDS.
2. SMPCL is Planing to purchasing customized vehicle with support of NABARD.
3. APPI (Azim Premji Philanthropic Initiative) has studied the Eco-friendly livelihood practices, corporate business strategies, replicable convergence models and planning to develop a model called 'Eco Pedabayalu' under their CSR activity for promotion of organic farming which could be another milestone in the success history of Susag millet sisters FPO.

3. DROPLETS TO OCEAN: BHUMITRA SELF-RELIANT FARMERS PRODUCER COMPANY LTD.: -A CASE STUDY FROM MAHARASHTRA

3.1 OVERVIEW:

Yavatmal is in the central Vidarbha district of Maharashtra. It receives moderate annual rainfall of 1130 mm. The district soils are predominantly black soils originating from basalt rock. Cotton, Soya bean, Groundnut, and Sugarcane are commonly produced commercial crops in the area, while sorghum, wheat, and pulses are grown as food crops. However, the district is known as the "farmer suicide capital. According to a census done in worst-affected areas by the unseasonal rainfall of four villages in the district, revealed that 67 percent of the farmers in the area were depressed (Mehta, 2015).

In the wake of adverse condition prevalent in the district one of the initiatives taken was to form FPOs so that collective approach will give a strength to all the problems including stress one such FPO, Bhumitra Producer Company was founded in 2011 to protect the farmers from this adverse situation, bring them together for achieving scale, and to realize higher income with low-cost efficient production methods. It is understood that this FPO has played an important role in solving the problems of farmers in this region. Hence an attempt has been made in this section to document the factors responsible for success of this FPO.

3.1.1 Journey of Bhumitra:

The Reliance Foundation (RF) chose villages for action using a ridge to valley strategy to watershed management. In the process, the village of Tapalheti was picked as a target for intervention. It mobilized the village community and proposed its support in development issues – identified by the local communities, mainly on food and nutrition security, water, and economic sustainability. Later Tapalheti households identified challenges like lack of potable water, poor road and basic infrastructure, and a dependable source of income from farming at the village and individual levels with the help of Reliance Foundation specialists. Lack of mechanization, labor and other cultural practices involving high cost are impediment to earn reasonable profit in agriculture at the household level. Other challenges of the farmers included the high cost of seeds, fertilizers, a limited marketable surplus, and the long and multiple value chain. Crop failures owing to late rain and a lack of secure irrigation are two issues that are bothering agriculture in this region.

Reliance Foundation established the Village Development Association (VDA), which consists of representatives of the farm households in village. Each VDA member should give INR

365 per year to the Village Development Fund @Re 1 per day (VDF). The goal of VDA is to foster collaborative ownership, decision-making, and community well-being.

The Village Development Association's role is to prioritize the development issues of village and farm families and allocate funds and resources following those priorities. In addition to the VDA's internal fund, the Reliance Foundation supports the needed based infrastructure costs of the VDAs.

Initially, the Village Development Association created a farmers' co-operative society for aggregating farmers. This co-operative followed the principle of mutual help and should be owned, controlled and managed by the farmers for their own benefits. As a part of formation of this society, UDA members initially were expected to contribute in cash or kind for increasing the financial health of the company. In the later stage of its formation, the society was converted into a producer company. There after the company is expanding its member base by allocating the shares to individual farms.

3.2 ORGANIZATIONAL STRUCTURE:

The company had seven board of directors and more than 2500 members spread across 24 villages. The Shareholders and the Board of Directors meet every 15 days, while the Board of Directors meets every seven days. Every year company holds a General Body Meeting, which is attended by all individual members. The Board of Directors sets the agenda for the meeting and the same is communicated to all Village Development Associations. Every Board of Directors is responsible to communicate the meeting agenda and other meeting protocols to two to three communities.

The Board of Directors is accountable to the shareholders and works to meet their requirements and requests. Shareholder representatives act as a link between the monthly meetings' proceedings and the individual members. Once a month, BoDs are expected to attend the meeting of the assigned VDAs to keep up with the company's agenda. Based on the demands and functions of the FPO, the BoDs have split themselves into social committees, marketing committees, and procurement committees.

Basic Profile of Bhumitra FPO

Sl. No.	Particulars	Details
1.	Name of the Company	Bhumitra Self Reliant Farmers Producer Company Limited

2.	Founded by/CEOs	Reliance Foundation
3.	Year of establishment	26 Jul 2011
4.	Category of the Company	Company limited by Shares
5.	CIN	U01403MH2011PTC220188
6.	Address of company	C/O Harish M. Bandale, Jodmoha, Tal- Kalamb, Yavatmal-MH 445001 IN.
7.	District covered	Yavatmal District of Maharashtra
8.	Land covered	-
9.	Authorized Share Capital	49.9 lakhs
10.	Paid Up Share Capital	47.31 lakhs
11.	Number of members	2500 families as farmer members in 24 villages as of 2016-17
12.	Board of Directors	6
13.	Total turnover	-

3.3 FINANCIAL STATUS:

During inception, the company had only a lakh as its fund and five lakhs of authorised capital. But now Bhumitra is one of the largest Farmers Producer Companies of Maharashtra in terms of Paid-up Capital. It is led by Yavatmal District's marginal community, with support from Reliance Foundation. It has Rs. 49.90 Lac Authorized Capital & raising the own capital Rs. 47.30 lakh. In 2020 the turnover of the company reached more than a crore.

3.4 BUSINESS ACTIVITIES:

Bhumitra is divided into four components based on its activity namely.

- Commodity marketing and value chain
- Bhumitra Farm-produce Processing Center (BFPC), Khangaon
- Bhumitra Training Center (BTC), Jodmoha
- Bhumitra Farmers Common Service Center (BFCSC), Belapurheti

Soya bean and red gram are two of Bhumitra's most important crops. In 2013-14, with the help of capital, the company procured 102.2 MT soybean of worth Rs 33.81 Lakh. While the company invested Rs. 17.25 lakh, the remaining Rs 16.56 lakh soybean was procured on credit. In 2015-16, after 15 months of storage, this soybean stock was sold to M/s Suguna Foods Pvt Ltd and earned Rs. 38.65 lakh and made profit of Rs. 4.84 lakh. The Reliance Foundation's godown is utilized to store the soybean until a reasonable price is found in markets. At starting of every year, the Village Development Association develops a strategy and budgeting is done based on the

priorities and needs of each member. After allocating the budget at the village level, allocations are made to the households.

3.5 IMPACT:

The Reliance Foundation arranged the training program for facilitating procurement process and to procure of quality grains. Later with the help of the training, procurement of soybean was done using post-harvest technique like grading, measuring moisture, *etc.*

In 2016, the donation of Reliance Foundation helped BSRFCL to procure one dal mill with a capacity of 20 qt/hr. Later dal mill was set up in Sant Khateshwar Shetkari Samitee, Khangaon village. BSRFPCL constructed 2,500 Sq.ft infrastructure building and machinery set up with name of Bhumitra Farm-produce Processing Center (BFPC), Khangaon. For the processing of dal, BSRFPCL procured 15.43 Qtl tur dal of worth Rs. 93,000. Bhumitra in collaboration with Dept. Of Agriculture

Yavatmal for implemented National Mission on Oilseed and Oil Palm (NMOOP) & National Food Security Mission (NFSM) and the leveraged total material cost Rs 9, 48,920/- & support to more than 500 marginal Farmers.



Training program to the farmers members in BSRFPCL



Processed Soyabean of BFPC

Agriculture Technology Management Agency (ATMA) Yavatmal through Maharashtra Agriculture Competitiveness Project (MACP) under the Farmers Common Service Center (FCSC) sanctioned a proposal to construct a warehouse to store the value-added farm produce. The construction cost was estimated at Rs. 16.65 lakh which had 200 MT storage capacities. ATMA Yavatmal

sanctioned and released Rs. 7.5 lakh subsidy for the same. One of the members of BSRFPCL donated his roadside land for its construction. The warehouse constructed under FCSC in

Maharashtra generated employment to landless members and helped to save up to Rs. 4 lakhs from Pimpalkuti, Wadhona Khurd and Shivni village associations. This saved the construction cost to the tune of Rs. 3.5 lakhs (22.00%) from an estimated cost of Rs.16.65 lakhs and the construction cost at Rs. 13 lakhs. BSRFPCL also took initiatives in providing accident insurance benefit for the 872 members who contributed to raising capital for the producer company through their donations.

3.6 CONCLUSION AND REMARK:

Bhumitra's experience makes a compelling case for extending support to member-based farmer collectives, with policy implications such as determining training needs, increasing capital availability, forming an FPO as an aggregation of smaller Farmer Interest Groups and promoting more environmentally friendly input usage. This collective effort of community members stood as a good example in the form of Bhumitra Producer Company and for several other companies. The key learning from the functioning Bhumitra FPO is group cohesiveness, participation in up-the value chain and creating awareness among the members on merits of collectivisation *etc.*

The main factors responsible for the success of Bhumitra are role of proactive promoters in availing benefits through convergence of govt. schemes and group cohesiveness. The success of Bhumitra demonstrates that it is not just the capital which is required for running business successful, but also other social factors which are crucial for attaining the sustainability of FPOs

4. REAPING BENEFITS THROUGH COMMUNITY IN HILLY AREAS – DEVBHUMI NATURAL PRODUCTS PRODUCER COMPANY PVT. LTD.: - A CASE STUDY FROM UTTARAKHAND

4.1 OVERVIEW:

DevBhumi Natural Products Producer Company Pvt. Ltd, (DNPPCL) is one of the country’s first producer companies, and also one of the very first in Uttarakhand. DevBhumi is a community-owned company of small and marginal farmers, primarily rural women of Uttarakhand with a vision to create conservation through enterprise.

4.2 ORGANIZATIONAL STRUCTURE:

DevBhumi Natural Product Producer Company Ltd (DNPPCL) is a registered Producers company, under part IX A of Companies Registration Act 1956 initiated and promoted by Administrative Training Institute (ATI). It is wholly

The company's vision is to “Conserve the Nature through the Enterprise” and promote its core activities such as sericulture, organic honey, organic spices, and eco-tourism in some of the remote villages of Uttarakhand.

owned by community intended which is to market the Himalayan Products. The company management board comprises of only farmer members. DevBhumi is a community-owned company of small and marginal farmers, primarily rural women of Uttarakhand with a vision to create conservation through enterprise. There are five board of directors nominated to look after the company business. It engages over 6,000 primary producers in various livelihood activities and is operational in over 450 villages in Uttarakhand. It has contributed in increasing income of primary producers, creating job opportunities for local people, getting the best price for products in the market. These activities are spread in remote villages in the five districts of Rudraprayag, Chamoli, Tehri, Uttarkashi and Pauri Garhwal in Uttarakhand.

Basic Profile of DevBhumi FPO

Sl. No.	Particulars	Details
1.	Name of the Company	Devbhumi Natural Products Producers Company Private Limited
2.	Founded by/Promoter/CEOs	Administrative Training Institute (Uttarakhand Academy of Administration), Nainital
3.	Year of establishment	30 September, 2016
4.	Form of cooperative	
5.	Category of the Company	Company limited by Shares
6.	CIN	U01403DL2007PTC171829

7.	Address of company	A-12 B, Shri Hari Apartment, Phase 2, Ashok Vihar, New Delhi, North West - 110052 Delhi - India
8.	District covered	450 villages in Uttarakhand
9.	Land covered	-
10.	Authorized Share Capital	Rs. 120.0 Lacs
11.	Paid Up Share Capital	Rs. 104.9068 Lacs
12.	Number of members	6,000
13.	Total turnover	Rs. 2 - 5 Crore
14.	Board of Directors	6

4.3 FINANCIAL STATUS:

It has contributed in increasing income of primary producers, creating job opportunities for local people, getting the best price for products in the market. These activities are spread in remote villages in the five districts of Rudraprayag, Chamoli, Tehri, Uttarkashi and Pauri Garhwal in Uttarakhand. DNPPCL's pioneering efforts to develop infrastructure in all these areas have enabled the primary producers to actively move up the value chain, and also enabled the company to post a turnover of Rs. 214 lakh during 2016-17.

Key Financial Indicators

Key Parameters	FY20 (Projected in ₹Cr)
Result Type	
Operating Revenue	63.89
EBITDA	1.47
PAT	(0.54)
Tangible Net worth	3.19

Particulars of the Company during 2018-19

Facility	Amount (₹ Crs)	Tenure	Rating*
<u>Fund based</u>			BWR B
Proposed Term Loan	6.50	Long Term	(Pronounced as BWR Single B) Outlook Stable
Proposed Cash Credit	1.50		
Total	Rs 8.00 Crores (INR Eight Crores Rupees Only)		


4.4 BUSINESS ACTIVITIES OF COMPANY:

The Company has created a strong marketing network across the country and is continually working towards establishing a national and global presence for its certified organic produce from

the Himalayan region. This has brought rural produce from the remote hill regions to the mainstream market. Once the producers start cultivating commercial crops, such as honey, spices and other items, they become the DNPPCL shareholders; and the company then helps the primary producers across various stages of value chain so that they don't just limit themselves to the supply aspect of it. This movement across the growth of value chain has ensured economic returns of Rs. 2,000-5,000 per month. The producer company provides doorstep support in collection, storage, transportation as well as primary processing of the produce, and offers the required infrastructure for effectively undertaking these value chain-based activities. Thanks to the firm's pioneering work in marketing their products, the DevBhumi brand name is well-recognized and readily available in the market — especially certified organic honey. In addition, the company's sericulture wing (which involves rearing and processing cocoons into yarn) weaves a unique blend of "oak tussar" used to make a variety of designer shawls, stoles and scarves which is widely popular. Highly priced organic spices and rajma (kidney beans).

It works towards this goal by actively promoting its core activities such as handlooms & handicrafts, sericulture, organic honey, organic spices and eco-tourism in some of the remote villages of Uttarakhand. DNPPCL's pioneering efforts to develop infrastructure in all these areas have enabled the primary producers to actively move up the value chain. Due to this initiative, 4,500 primary producers mostly women now get better prices for their produce, aided by innovative steps like the setting up of primary processing facilities for organic spices, organic honey production and in sericulture. These processes have improved the capacity of primary producers, and helped in value addition, improved processing, sorting and grading, hygienic storage and transportation.

Table.4.1 DevBhumi Natural Products by the Company

Product Description	Product
<p><i>Apis cerana</i> is the native bee species of Uttarakhand being reared by local people from ancient times. Uttarakhand hills are peculiar for its richness in floral biodiversity including a variety of medicinal and aromatic plants in addition to cultivated agricultural crops. <i>Apis cerana</i> collects nectar from flowers of all these plants to prepare honey with added medicinal properties.</p> <p>Further, this area is completely free from any kind of chemical pollution, as the agricultural practices are mostly organic. Thus, the honey produced is free from any kind of chemical contamination unlike other agriculturally</p>	<p>Dev Bhumi Honey</p> 

<p>developed areas where agro-chemicals are used in large quantities. This honey has already been certified as Organic by Uttarakhand State Organic Certification Agency (USOCA). DNPPCL is providing technical inputs to the community to enhance production and productivity through eco-friendly means to get organic produce.</p>	
<p>Devbhumi Oak Silk production in the Garhwal Himalayas started as an idea in conservation. The idea was to promote livelihoods through using forest resources without destroying the trees, the income from oak sericulture became an economic incentive for the local community to contribute to the conservation of a region listed on the World Wildlife Fund's Global 200, a Biodiversity Hot Spot List. Devbhumi Oak Silk is produced from silkworms that feed on oak leaves from the high-altitude forests of the Garhwal Himalayas in Uttaranchal State, India. The Silk Cocoons produced are hand spun and reeled into fine silk yarn by village women. The Silk is also blended with high quality natural wool by traditional weavers of the region.</p>	 <p>The Oak Forest Silk-Tasar</p>
<p>Kidney Beans (Rajma) are sown in March/April and harvested in August. On an average, the Rajma crop is grown in heights between 1600-2600 meter. Rajma is an inter-determinant crop with an average crop period of 150 days. The seed is local, and a part of the crop is retained as seed for the subsequent season. Dev Bhumi have three varieties of Kidney Beans: Red, White and Mix Colour</p>	 <p>Kidney Bean</p>
<p>Ringhal (Arundinaria falcatta) or dwarf bamboo have been traditionally harvested from the oak forests on a subsistence basis. It is then fabricated by local craftsmen, into a number of useful household products including, mats (chettai), a variety of baskets for carrying biomass, storing household goods, apart from religious purposes. It is a male-dominated activity mainly undertaken by the schedule caste members of the community.</p> <p>The ringhals project was initiated by our promoter organization AT India in 2004, when the ringhal craftsmen were organized under Ringhal Bunkar Sangathans (ringhal worker groups). Presently, there are 38 Ringhal Bunkar Samithis in all, with a total of 358 members. The success of AT India's ringhal project can be gauged from the fact that in less than 2 years of its initiation (in 2004), commercialization of the activity was underway.</p>	 <p>Devbhumi Ringhal</p>

Certified Organic Spices from our mountain farms: India is known as the 'The home of spices'. There is no other country in the world that produces as many kinds of spices as India. The climate of the country is suitable for almost all spices. Devbhumi Certified Organic Spices are available as 'Whole', 'Fresh ' and in Powder form, and are vibrant in colour, flavour and aroma. We can offer any of the spices in steam sterilized form. We keep stock of most of the spices throughout the year. Cleaned, graded and packed for retail or bulk sales in standard or vacuum packing from 50gm to 200gm and some of the spices are also available in dehydrated form. The organic spices available with Devbhumi are: Turmeric powder, Turmeric flake, Ginger Fresh, Large cardamom and Garlic fresh.



Organic Spices

Indigenous to the Himalayan regions are also grown, processed and marketed by the company. Its eco-tourism section allows the visitors to experience the lifestyle, culture and natural wealth of rural Uttarakhand without compromising on comfort or luxury, along with minimal damage to the delicate ecological balance of this region. Thus, DNPPCL has put in place a viable model of agribusiness for market-oriented growth of small farmers. This is both relevant and suitable due to its focus on sustainable market development for marginalized farmers.

4.4.1 Business Models of DNPPCL:

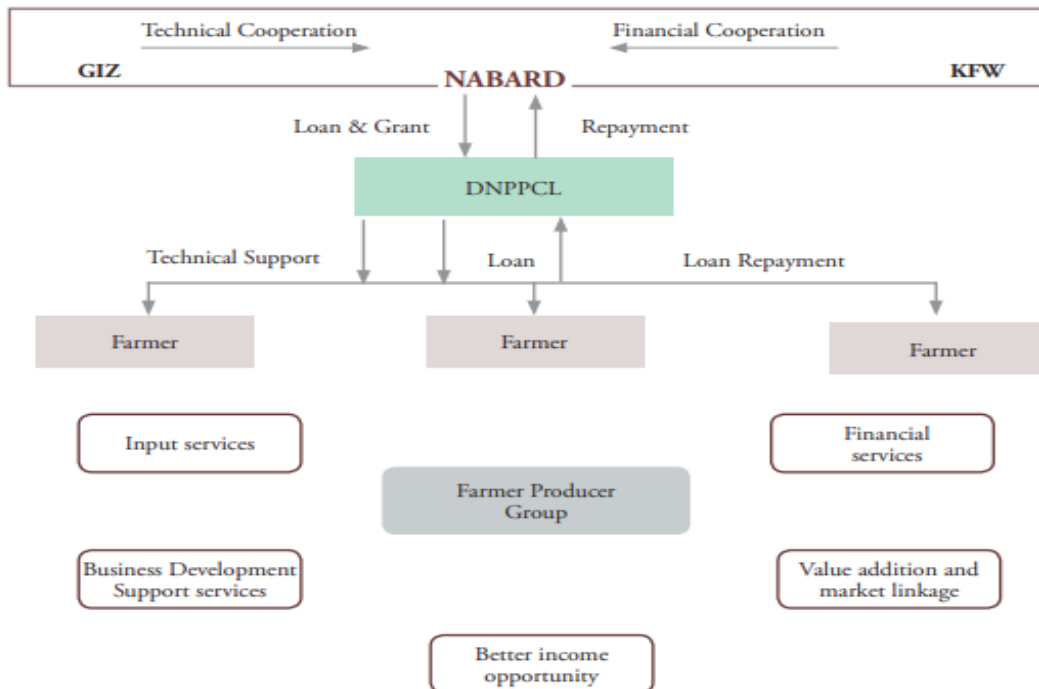


Fig.4.1 UPNRM project model for DNPPCL

Uttarkashi districts of Uttarakhand received fund from NABARD under UPNRM. DNPPCL further on-lent the loan to its member farmers for taking up bee keeping and honey production as a source of livelihood in the Himalayan hilly area. The bee species used by the primary producers for bee keeping and honey production is *Apis. Cerana indica*. DNPPCL used the grant assistance for training and capacity building of the member farmers and market promotion of the locally processed honey. It repays the loan to NABARD from the revenue earned through the sale of honey which was primarily sold to the company by the member farmers.

4.5 IMPACT:

Around 6000 low-income rural households from 450 mountain villages in the Garhwal region of Uttarakhand has taken up bee keeping on a commercial scale through FPO.

Liquidity of the company:

The Company has Proposed Cash & Bank Balances of Rs 0.60 crores in FY20. Proposed Current ratio at 1.17 times in FY20. The company has proposed for cc limit of Rs 1.50 crores from SIDBI. The Proposed conversion cycle has been 6 days in FY20 due to low days Receivables and Payables. The Company Proposed ISCR at 2.26 times and Debt Service Coverage Ratio of 1.67 Times as on Projected FY20

4.6 CONCLUSION AND REMARKS:

Agriculture in remote regions creates challenges that prevent farmers from entering into mainstream markets. By creating a strong supply chain along with operational and managerial support several small Farmer Producer Organizations (FPOs) now have the ability to create a strong presence in a highly competitive market and be at par with the best. The model has also been able to leverage the financial resources needed for working capital so as to assist primary producers from the National Bank for Agriculture and Rural Development (NABARD) and Friends of Women's World Banking (FWWB). Awards/Honors DNPPCL has bagged the "Best Rural Enterprise Award" by Citibank Foundation, which included a cash prize of Rs. 8.5 lakh and continued capacity-building support.

The Devbhumi Natural Producer Company is an illustration of how the crisis can be converted into an opportunity. In a hilly region, it has tapped a potential for production of potential farm products by organizing farms into a group. Branding, Certification and Marketing Strategies were induced in an organized way due to higher scale of operation. Business acumen is part of the operation and management of the company.

5. MILKING PROSPERITY: MULUKANOOR WOMEN'S MUTUALLY AIDED MILK PRODUCERS' COOPERATIVE UNION LTD. (MWCD): - A CASE STUDY FROM TELANGANA

5.1 OVERVIEW:

In India, there was cooperative spirit since ancient times, but it was officially endorsed with an act by the government only in 1904. An act was passed in the name "Cooperatives Credit Societies Act 1904" since then, many cooperatives have come up, particularly in farming and allied sectors. Mulukanoor Women's Cooperative Dairy, located in the Karimnagar district of Telangana state in India, is still active and an example for those who stood against the test of time. It exclusively targeted women milk producers. With its outstanding performance, now it is attracting the attention of all global level pro-poor, pro-development policymakers, researchers, organizations, and governments of various nations.

5.1.1 History and Development

Mulukanoor Women's Cooperative Dairy, India's first women's dairy cooperative, has an inspirational background story of cooperative spirit. It is articulated by two local Cooperatives, Cooperative Development Foundation (CDF) and Mulukanoor Cooperative Rural Bank and Marketing Society (MCRBMS), and one national-level National Dairy Development Board (NDDB) organization which played a prominent role in it. The Cooperative Development Foundation (CDF), an organization popularly known as Sahavikasa, was formed in 1975. The CDF was formed to assist rural men and women in the formation and development of self-reliant cooperatives under the APMACS Act of 1995. During 1990, it started helping to form Thrift Cooperatives (TCs) at village levels in the Warangal and Karimnagar districts of Andhra Pradesh. A typical Thrift Cooperative is usually formed in a village under the supervision of CDF as a voluntary association of individuals who come together to meet their saving, credit, and insurance needs. CDF also helped the formation of 20 ATCs (Association of Thrift Cooperatives) around the Telangana state. The tremendous response from villagers particularly from the rural women, allowed the cooperative to amass a fortune. The piled-up funds became idle, and the cause of concern was the funds were generating no income; the little requirement for credit from the members, and the cooperative had to pay interest to its saving members. Then ATCs searched for various ways to invest this idle money in the new venture benefiting its members. Finally, they arrived at the idea of establishing a dairy processing plant to make use of the funds.

In India, dairying-related works are usually carried out by men and women jointly. Nonetheless, women attend more dairy works than men because they stay more at home than men. And after a thorough democratic discussion with the women thrift cooperatives members to invest their money in the dairy plant, the same decision was brought to the notice of CDF. Then CDF conducted some surveys to know the feasibility of the proposed cooperative dairy. To conduct the surveys, CDF took technical help from NDDDB. As a result of all efforts, in 2002, Mulukanoor Women's Cooperative Dairy came to life. The objective of the cooperative is to enhance the economic and social standards of rural women by procuring, processing, marketing, and facilitating reasonable prices for milk. The Telangana state animal husbandry department takes care of veterinary health services, breeding services, animal disease management, and fodder development initiatives, *etc.*

The results of the CDF and NDDDB's joint survey after estimating demand-supply ratios revealed that there was a very fair chance of success for a large-scale cooperative dairy. Based on the results and their need, ATCs initially decided to establish a plant with a capacity of 25,000 liters per day (LPD). Subsequently, they approached Mulukanoor Cooperative Rural Bank and Marketing Society (MCRBMS) for the required support. MCRBMS has taken the responsibility of supervising the construction of the plant and installation of the machinery. The plant capacity in 2007 was 50,000 LPD and increased its capacity to 100,000 LPD by 2015 to meet demand in the market. To promote the Women Dairy Cooperatives (WDCs) at the village level and their associations (Associations of Women Dairy Cooperatives) at the cluster level, CDF has set up the Dairy Cooperative Network Division (DCND).

5.2 ORGANIZATIONAL STRUCTURE:

Members are essentially the women milk producers and mostly are illiterates or with little primary education. To get the institution membership, people should invest ₹100/- as share capital and sell 90 liters of milk in 90 days to the milk collection center. WDC Board members will also be elected from the member. The member should sell 180 liters of milk in 180 days, compulsory attendance in the last 2 GB (General body meetings) meetings. If the members are not able to follow the guidelines of the organization, the organization has a right to Withdrawal/ Removal of membership. The guidelines are as followed:

1. Non-attendance for consecutive three meetings & GB meetings
2. Involvement in extraneous activities

3. Milk sold to another dairy

The Leadership rotation will take every five years tenure (2 members changed every year) and evaluation meetings are held every month regularly. To become a president, a member should have to fulfill three major eligibility criteria. She should have procured 25,000 liters in 365 days, 100 percent attendance of all WDC in last year, and must have paid ₹250/- as nomination fee. Out of the dairy's total staff, about 90 percent are women, and the remaining 10 percent are men. These men carry out extensive field visits, supervising procurement, marketing aspects, and overall maintenance requires high management skills, commanding, and hard work. The General Manager (a man) and other manager cadre people have no less than post-graduation degrees. Other staff members are also holding post-graduation or graduation level degrees. For quality control purposes, two who have post-graduate degrees in the concerned subject are employed. As of 31-03-2016, the organization has 135 WDCs, 12 Directors—one president among those, 60 employees, 8 Departments with 8 Managers.

Basic profile of Mulkanoor Women's Cooperative Dairy

Sl. No.	Particulars	Details
1.	Name of the Cooperative	Mulkanoor Women's Cooperative Dairy
2.	Founded by	Sri.A.K.Vishwanath Reddy Chairman: Sri.A. Praveen Reddy
3.	Promoter	Cooperative Development Federation (CDF)
4.	Date of Incorporation	2002
5.	Form of cooperative	Dairy Cooperative
6.	Company Category	-
7.	CIN	-
8.	Address of company	Karimnagar District, Telangana P.No. 9440800656 Email: mcrbms1956@gmail.com
9.	Authorized Capital	-
10.	Paid-up Capital	Rs.110.10 Lakh
11.	State/District/Villages covered	56 villages
12.	Number of share holders	-
13.	Number of associated members	40435 members And Constitute 250 Women Dairy Cooperatives with 40,435 members, and 250 Primary dairy Cooperatives

14.	Board of Directors	10
15.	Total turnover	79.25 Crore during 2018-19**

Source: [http://s3-ap-southeast-1.amazonaws.com/ijmer/pdf/volume10/volume10-issue1\(5\)/1.pdf](http://s3-ap-southeast-1.amazonaws.com/ijmer/pdf/volume10/volume10-issue1(5)/1.pdf)

**Mulkanoor Women's Cooperative Dairy- Inclusive Model, A Case study, Telangana State

5.3 FINANCIAL STATUS:

Initially, CDF has invested ₹33.1 million as fixed deposits in MWCD for its establishment. After AWDC's formation in August 2002, the WDC handed over its management responsibility to the Mulukanoor AWDC board of directors. The AWDC took ₹18.5 million from CDF as call deposits towards the working capital and repaid the total amount. Out of ₹33.1 million of fixed deposits, the dairy has repaid ₹29 million, and as of 31 March 2006, the outstanding fixed deposits amount with the dairy was ₹4.1 million. The AWDC of Mulukanoor obtained an amount of ₹16.8 million towards the working capital from 18 Associations of Women's Thrift Cooperatives (AWTCs) and eight Associations of Men's Thrift Cooperatives (AMTCs) and repaid ₹16.6 million to ATCs. Now, it is free of any debts.

5.4 BUSINESS ACTIVITIES:

The Mulukanoor Women's Cooperative Dairy started its procurement operation on 17 August 2002 from 67 WDCs and evolved over the years into one of India's more successful dairy businesses. Now the number has reached 135 WDCs situated within a radius of 25 km from Mulukanoor collects the milk from WDCs. It started producing milk and milk products for the Mulukanoor regional area on a 24/7 basis. Every day 24,000-plus women dairy cooperative members produce around 58,000 liters of milk and collect it twice a day at village collection centers. It chose to call its brand 'Swa Kru Shi', which means 'self-help', and developed marketing slogans claiming, 'Quality Milk is Swakrushi Milk'. All the dairy products such as standard milk, 'toned milk' with less fat, and full-cream milk with more fat, as well as ghee (clarified butter), sweet lassi (yogurt), and paneer (cheese) sell to the customers under the MWCD's "Swakrushi" brand name.

5.5 IMPACT:

For the wellness of the members, it started an insurance scheme. If the member women join the "Swakrushi dairy members' insurance scheme" and if that member or her spouse dies, the widow(er) will get an amount of ₹20,000/- in case of a natural death or ₹50,000/- in case of accidental death as

The services of the organization

- Member Services
- Value addition services
- Livestock Development Services

compensation. For improving the value-added organization is setting up plants and machinery with the latest and upgrading technology.

For the sake of livestock development, the MWCD is majorly focusing on the Establishment of Livestock Development Services (LDS), Medical Services and First Aid for cattle, providing Cattle insurance – ₹300/- per year, Artificial Insemination programs (50.00% subsidy), Feed (25.00% subsidy), Fodder distribution (50.00% subsidy), Linking with external projects viz., RBP & Fodder project. In the whole business operations, the members of the cooperative get the bonus- ₹3.73/liter, Services at their doorstep, Timely and assured payments, Savings, Regular income generation, 100 percent free vaccination & deworming Insurance for livestock, and members contributing to Women empowerment.

5.6 CONCLUSION AND REMARKS:

Mulukanoor offers good lessons to all the stakeholders such as the union, the promoting organization, the dairy sector, the cooperative sector, and the policymakers. Any attempt to replicate such an effort should not simply limit the understanding of the structure and rework in a new area. But understand the organic linkages of various factors and dimensions that have contributed to the success. Each one of these factors is important to achieve the final result. The Mulukanoor Women's Mutually Aided Milk Producers Cooperative Union Limited (Mulukanoor Union) is being referred a successful model in the improvement of a large number of livelihoods of rural producers. This unique initiative of rural women around Mulukanoor, Warangal Urban District, Telangana, is the first commodity-based community enterprise women to manage and govern it. It provides a sense of security among the members with assured and regular income from milk sales every 15 days. The exchange of information helps to know the things happening at the village level. Feeling well informed is plays a crucial role in boosting the confidence of women.

6. BUILDING LIVES BRICK BY BRICK: DHARANI FARMERS PRODUCER COMPANY LIMITED: – A CASE STUDY FROM ASPIRATIONAL DISTRICT OF ANDHRA PRADESH

6.1 OVERVIEW:

Dharani literally means ‘mother earth’. The FPO’s journey began in January 2017. It was registered as multi aided co-operative society in February 2018 under MACS Act 1995. It has been promoted by APMAS and funded by DGRV Germany with the main objective of promoting and strengthening self-reliant Farmer Producer Organization in Telangana state to engage in agriculture value-chains. It is located in Sadashivanagar, a Mandal in Kamareddy district



of Telangana. Around 91 percent of the farmers in the area are small and marginal farmers. Major crops grown in the area are paddy, soybean, sugarcane, cotton and maize. In Kamareddy region,

farmers are primarily production oriented instead of being market oriented. This has put farmers in a disadvantageous position as they are not engaged in the entire agriculture value-chain which leads to middlemen taking over their profit share. It has been revealed from the value chain studies conducted by APMAS in Kamareddy district that farmers are not united in resolving their issues. In recent times, the government of India has also focused its efforts on promoting and strengthening of Farmer Producer Organizations (FPOs)

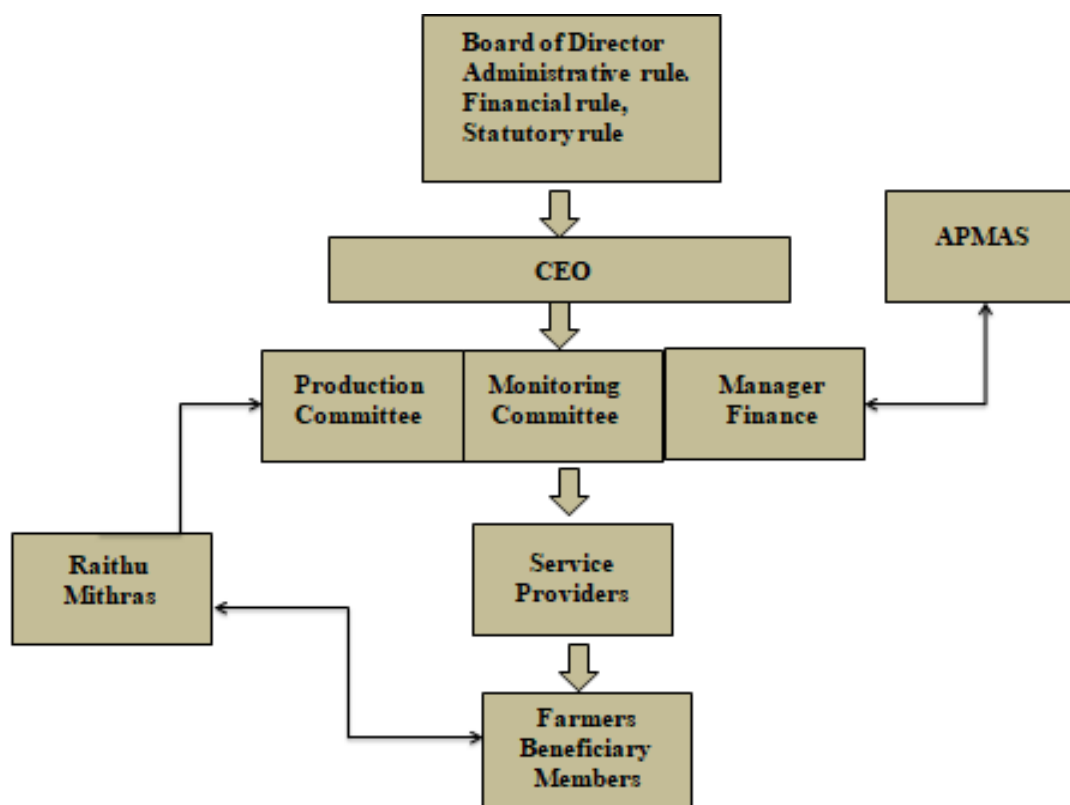
Dharani FPO maize procurement operation was one of its kind in the history of Telangana state. It was initiated to undertake Maize procurement under Minimum Support Price (MSP). The Maize Procurement Centre was on the behalf of TS MARKFED under the Minimum Support Price (MSP) to support farmers to sell their produce at their Mandal level at common place. Special staff and Sub-Committee were formed, and necessary training was given to them on the procurement systems to be maintained in the process and to ensure the quality, systems, bookkeeping, labor, transportation, gunny bags, submission of reports regularly *etc.* The operations led by the BoD made it a success story in the district.

hence District Collector of Kamareddy district requested APMAS to collectivize the farmers in the Mandal in to an FPO. That’s how Dharani FPO started.

6.2 ORGANIZATIONAL STATUS OF DHARANI FPO

The FPC is prompted by APMAS and registered in 2018 with a share capital of Rs. 720000/-. Dharani is having member base of 1320 including 720 member and 600 non-member farmers.

Fig. 6.1 Organizational Structure of Dharani FPO

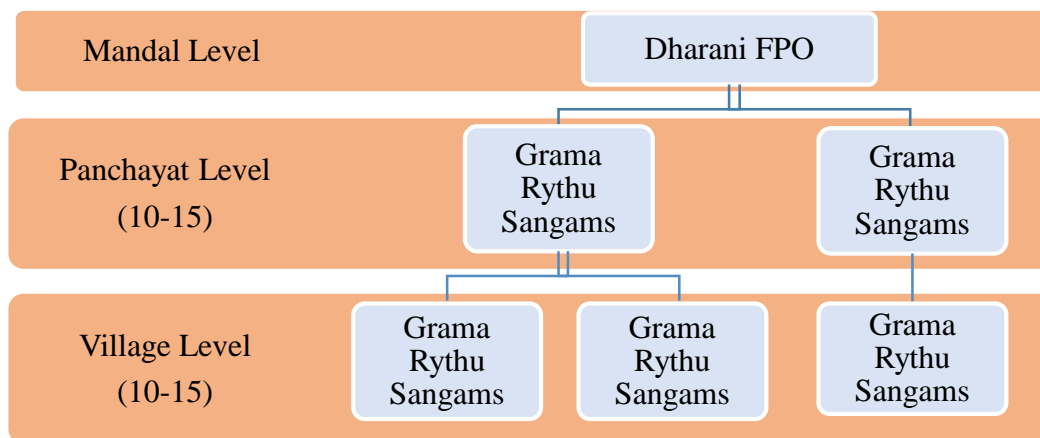


Basic Profile of Dharani FPO

Sl. No	Particulars	Details
1.	Name of the company	Dharani Farmer Producer Organization
2.	Form of cooperative	Farmer Producer Company (FPC)
3.	Date of registration	Feb 2018
4.	Total Members	1320
5.	Members	720
6.	Non members	600
7.	Share capital Rs. 1000 each (in lakhs)	Rs. 720000/-
8.	Main Promoters	APMAS
9.	Women members of FPO 25%	180
10.	No. of Directors	15
11.	Rythu Mithra 1 in each village paid by DGRV	10
12.	Accountant (Project Associate), Capacity Builder/Non-technical and Agriculture Officer	3 (One each)

13.	Avg. size of holding of member (range)in Ha	1.5-2 ha.
14	Chief Executive Officer	Mr. Papi Reddy
15.	Address of the company	APMAS Plot 11 & 12, HIG, HUDA Colony, Tanesha Nagar, Near Dream Valley, Manikonda, Hyderabad 500089.

Fig. 6.2 Social Mobilization Network of Dharani



6.3 FINANCIAL STATUS:

The FPO is involved in procurement of maize with support from TS Marked and establishment of farmer service center. Other than these activities FPO also provides small farm equipment's for farmers. To meet the demand for sprayers, FPO supplies sprayers to the member farmers at 30 percent lesser price compared to the market. Non-member business forms 83 percent of their business turnover.

Table 6.1 Dharani Profit and Loss Details for the financial year 2019-20

Turnover (Rs. Lakh)	51,39,524*
Profit (Loss)in Rs.	1,68,781

The FPO did not get any grants or bank loans but have had market linkages with some success. The member patronage and satisfaction level are fairly high. The Quantity procured in Rabi was 1219 quintals and the service charge earned by FPO was Rs. 12,230 and the quantity procured for the second time i.e., in Kharif was 7400 quintal and the turnover was Rs.1,25,00,000 and Service charge (@ 1%) earned by FPO is Rs.1,25,800 and the outreach of Farmers was around 300 members.

6.4 BUSINESS ACTIVITIES OF DHARANI FPO:

For smooth functioning and sharing of responsibilities, there are three sub-committees to manage the whole gamut of business. Dharani management has applied and successfully secured licenses to supply. The main business of FPO is agricultural input supply to its members. The input supply through FDC included fertilizer, seed, bio-inputs and pesticide. The FPO has license for sale of various inputs and charges a nominal amount of Rs 10-15 on each bag of seeds and 8-10 percent margin on pesticide for nearly 1500 members. Its member avail all these inputs 85 percent less cost on the market price. Non-member farmers also avail these services. This number could increase if FPO offers credit sales but currently it only sells on cash and carry basis. Dharani FPO also has a Farmer Service Centre since 30th December 2017 at Kalwaral village from where it sells inputs, rents farm equipment, extended fund for the purchase of all the Farm machinery at the Custom Hiring Centre (CHC). The farmer service center provides essential services like land preparation, seeding, weeding and others by renting out its machinery through its CHC.

As Dharani FPO started taking up business activities, the farmers got benefitted through the services offered by the FPO. The non-member farmers also come forward to pay the share capital and become members of the FPO as they have witnessed the benefits of being a member. During the season of Kharif 2018, Dharani FPO received procurement acceptance letter from MARKFED, and Dharani started procurement

6.4.1 Strength of Dharani FPO

Particulars	Factors	Observation
Ownership	Farmer members are the owners of the FPO	Farmer claim the ownership and any member can put forth their views on its business via their representatives.
	Farmer members on their own manage the FPO	Dharani is managed by professional paid staff with help of the resource institution (APMAS)
	Frequency of attendance in meetings	More than 80 percent attendance in sangam meetings is witnessed as per records
	Accountability	The business decisions and profit statements are shared with members.
Awareness on Role and	Members are aware of FPOs structure	Farmers are aware of the structure, role and responsibility of BODs but not completely in tune with the management of the FPO.

Functions of FPOs	Farmer members understand their role in running the FPO.	Farmers consider their responsibility to produce organic and sell it to the FPO.
Satisfaction	Satisfaction amongst farmer members	High satisfaction, based on high returns on investments and support in newer technologies of doing farming.
Processes and Protocols	Maintenance of records, bye laws and its effective implementation	All Records of attendance, input transaction, crops procurement and business are duly maintained
Capital Available	Percentage of produce sold to the FPO by farmer member	All the produce by member farmers is sold to the FPO except for milk and vegetables which are currently not procured by FPO.
	Physical capital	Dharani has FDC with operational CHC
	Financial capital	Dharani has not yet taken loan from formal financial institutions but took one voluntary financial help from Mr. Papi Reddy.

6.5 CONCLUSION AND REMARKS:

Even though the scale of Dharani FPC is relatively low, but realizing the initial benefits derived by the members have inspired other non-member farmers to become member. The FPC has encompassed an innovative model for procurement of commodities from the members with minimum transaction cost and minimizing the role of middlemen in the value chain. This helps farmers to get better price on account of reduced value chain.

Glimpses of activities carried out by Dharani FPO



Raithu Mithra Meetings



Dharani FPO fertilizer supply in Thimanapally

7. RIDING THE POWER THROUGH COLLECTIVIZATION: RAMALINGESHWARA SUSTAINABLE AGRICULTURE PRODUCER COMPANY LIMITED: - A CASE STUDY FROM KARNATAKA

7.1 OVERVIEW:

The year 2014 being declared as “Year of Farmer Producer Organizations (FPOs)” by the Ministry of Agriculture, Government of India, and greater attention was given to these emerging bodies. The Department of Horticulture, Government of Karnataka has initiated formation of FPO during the year 2014-15 with the support of FPO nodal agency Small Farmers Agribusiness Consortium (SFAC), New Delhi by mobilizing the Farmer Clusters already formed by the Department and other farmers into the larger groups of 1000 members to form a Farmer Producer Company under Companies Act 2013.

Horticulture sector as in rest of the India is an unorganized sector in Karnataka also. Hence, an effort is being made to organize the farmers into the groups under various programs of the Department of Horticulture from 2012-13 onwards. Since then, the farmers have been mobilized to work in groups from seed to marketing, adopting Good Management Practices (GMP) from production up to post-harvest management. The program aims at “Lowering the cost of production and opening up avenues for direct market linkages for higher returns to the farmers”.

Through FPO, farmers are collectivized, sharing their farming experiences with each other. Production cost has been lowered due to low-cost inputs available in FPO where they can access easily. Encouraging establishment of custom hiring centers by FPOs which offer machinery at affordable rates has improved the productivity and reduced the drudgery of farm labor. CHC provides access to costly farm machinery for small and marginal farmers. Facilitates timeliness in farm operations and efficient use of inputs. Overall, the production cost has been reduced, which in turn adds on to the profit. In some of the FPOs viz., Sri. Ramalingeshwara HFPCL Kaladagi HFPCL and Hemavathi HFPCL individual farmer’s produce has been collected and marketed through FPO for better price, thereby reducing the burden of marketing on farmers.

7.3 ORGANIZATIONAL STRUCTURE

Ramalingeshwara Sustainable Agriculture Producer Company have members base of 1000 farmers. Company has 7 directors and 1 reported key management personnel

Basic Profile of Dharani FPO

Sl. No.	Particulars	Details
1.	Name of the Company	Shri Ramalingeshwara Horticulture Farmers Producer Company Limited
2.	Founded by/Promoter/ CEOs	Small Farmers Agribusiness Consortium (SFAC)
3.	Date of Incorporation	29 Feb, 2016
4.	Form of cooperative	Farmer Producer Company (FPC)
5.	Company Category	Company Limited by Shares
6.	CIN	U01407KA2016PTC086563
7.	Address of company	Shri Ramalingeshwara Horticulture Farmers Producer Company Limited registered address is H.No.143 Kanguvalli-1 Hosadurga Karnataka INDIA 577515.
8.	Authorized Capital	20.0 lakhs
9.	Paid-up Capital	20.0 lakhs
10.	District covered	-
11.	Number of members	1000 members
12.	Board of Directors	7 directors and 1 reported key management personnel
13.	Total turnover	-

**As of Balance sheet was last filed on 31 March 2020 (<https://www.tofter.in/shri-ramalingeshwara-horticulture-farmers-producer-company-limited/company/U01407KA2016PTC086563>)

7.3 FINANCIAL STATUS:

Shri Ramalingeshwara Horticulture Farmers Producer Company Limited is an Indian Non-Government Company, incorporated on 29 Feb 2016. It's a private company and is classified as 'company limited by shares. As per the Company's authorized capital stands at Rs 20.0 lakhs and has 100 percent paid-up capital which is Rs 20.0 lakhs. Shri Ramalingeshwara Horticulture Farmers Producer Company Limited is majorly in Agriculture and Allied Activities business from last 6 years and currently, company operations are active.

7.4 BUSINESS ACTIVITIES:

To illustrate how the FPC is benefitting the farms, as example of onion trade is depicted here. In all 35 farmers were involved in pooling their produce and sold it in bulk to a trader. This collectivisation fetched them 15-20 percent higher price compared to local market. In this

transaction they sold 62 MT of onion and made an additional profit of Rs. 20/quintal. Like wise in other commodities also, the collectivisation of produce is enabling the farmers to earn extra profit. Agri/Horticulture input shops were opened by FPOs after receiving the licenses from concerned authority to distribute the inputs for their members at reasonable price.

Activities of Ramalingeshwara Sustainable Agriculture Producer Company



7.4.1 Challenge and Solution:

Member based FPOs offer a proven pathway to successfully deal with a range of challenges that confront farmers today, especially small producers. Overcoming the constraints imposed by the small size of their individual farms, FPO members are able to leverage collective strength and bargaining power to access financial and non-financial inputs, services and appropriate technologies, reduce transaction costs, tap high value markets and enter into partnerships with private entities on more equitable terms. With fragmentation of holdings due to generational transfer unlikely to abate, FPOs offer a form of aggregation irrespective of land titles with individual producers and uses the strength of collective planning for production, procurement and

marketing to add value to members' produce. International and national experience in the performance of FPOs makes a strong case for policy support to member-based farmer bodies, to significantly increase their power in the marketplace, reduce risks and help them move up the horticulture value chain.

7.4.2 New Initiative

The idea was to get farmers act collectively and obtain group discounts on the purchase of horticultural inputs and thus, eventually get a better price for the sale of their produce. FPOs have enabled farmers to exercise more control over their input requirement and output marketing. Department of Horticulture with the help of RIs facilitated seed, fertilizer, pesticide and APMC trade licenses. Thus, FPOs have established backward input linkages by stocking the entire range of inputs including seeds, fertilizers, bio-pesticides, pesticides and farm equipment's for its members. Both the member and non-member farmers have received numerous benefits from this intervention which included easy accessibility to quality agricultural inputs without the fear of spurious products and assured availability of the inputs throughout the season. In addition, it ensured affordable and fair prices that led to farmers saving 5-10 percent on the input costs alone, as well as reduced the amount of time spent to get these inputs, since they are now available in the village itself. Savings in input and labour cost reduces the cost of production by nearly 20 percent, thereby the farmers can get more profit to the produce they grow. After realizing the need to support farmers after FPO registration, the Department of Horticulture during 2015-16 started facilitating FPOs by giving revolving fund of Rs. 15.00 lakhs and 90 per cent subsidy support (maximum of Rs. 22.50 lakhs) to establish custom hiring centers (CHC). 67 FPOs have received revolving fund and 59 FPO have been supported to establish CHCs.

7.5 CONCLUSION AND REMARK:

The process of FPO formation has given the realization that collectivizing the farmers for meeting the requirement on the farm inputs and increasing the direct sale of the farmers produce will help the farmers increase the income levels. It also enhances the bargaining power of the farmers. However, collectivizing 1000 farmers in a limited area was itself a herculean task. Furthermore, amidst the prevailing vagaries of nature, convincing each farmer to pay the share money was even tougher task. All these seem to be worthwhile when we look at the benefits that the farmers are getting. Conducting repeated meetings at the village level and timely involvement of the officers of Horticulture dept. has helped in speeding up the process of FPO formation. FPOs

are member owned and self-managed organizations and hence, involvement of the farmer members since the beginning is essential. Few minor modifications to suit the region may be adopted like limiting the area based on the crops chosen rather than insisting on 1000 farmers could become the guiding factor. A greater scope for involving the incubating activities and more thrust on capacity building of CEO, BOD and other related stake holders of the FPO.

8. CARVING SUCCESS THROUGH HANDICRAFT AND LIVESTOCKS: -A CASE STUDY OF ADHIMALAI PAZHANGNDIYINAR PRODUCER COMPANY LTD, TAMIL NADU

8.1 OVERVIEW:

Adhimalai Pazhanagudiyinar Producer Company Limited (APPCL) has been incorporated in the year 2013 with the support of key stone foundation, an NGO and is owned by the indigenous communities of Nilgiri Biosphere Reserve (NBR), Tamil Nadu and one of the first of its kind at a



national level. The challenges faced by the communities of NBR i.e. lack of sustainable means of livelihood wherein the farmers were unable to market their produce and were highly affected by market fluctuations. This resulted in unfair or non-remunerative price for their produce. Against this backdrop, in order to provide a fair price to the farmers, eliminate market

**India's first FPC
owned by
indigenous
communities**

Adhimalai collects forest and agriculture produce directly from the tribal communities, processes it and markets the produce.

fluctuations and to ensure an efficient marketing system, the key stone foundation which has been working in NBR for the past two decades has taken an initiation to incorporate a Producer Company in order to secure the livelihoods of these indigenous communities. This resulted in the incorporation of Adhimalai Pazhanagudiyinar Producer Company Limited in the year 2013 registered under Indian Companies Act of 1956.

8.1.1 Vision & Mission of APPCL

Adhimalai PC aims at providing a sustainable livelihood support and income generation through fair trade practices to the community while preserving their traditional way of life and conserving the environment.

8.1.2 Objectives of APPCL:

The PC has been working with the following objectives

- To work towards the development of indigenous people in the country, particularly, the Nilgiri Biosphere Reserve (NBR)
- Undertake processing including preserving, drying, freezing, venting, canning and packaging, warehousing, cold storage, service for the products of its members.

- To cultivate all kinds of organic farming products and non-timber forest produce (NTFPs)

8.2 ORGANISATIONAL STRUCTURE:

Aadhimalai's PPCL constitute Board of Directors (07) and members from the indigenous communities representing different regions of NBR in which the PC operates. Aadhimalai's has 50 employees of which 42 are women and out of 7 directors of the company, 3 are women. Women manage the production units, travel to other organizations to impart training and represent their community in local and national forums. Moreover, the PC organizes Annual General Meetings (AGMs) and discusses various activities related to procurement planning and quality produce *etc.*

APPCL also has a team of advisors who play a major role in advising the members on various initiatives like bee keeping, value addition, setting up of processing centres at various locations and maintaining producer relationships.

- **Membership in APPCL:** The producer company constitutes a total shareholder of 1609 covering around 209 villages of Six (06) regions in NBR. The members of the PC also include FPOs and other societies as members. Moreover, the company constitutes about 176 women farmers as members.

Basic profile of Adhimalai Pazhanagudiyinar FPO

Sl. No.	Particulars	Details
1.	Name of the Company	Aadhimalai Pazhangudiyinar Producer Company Limited
2.	Founded by/Promoter/ CEOs	Keystone Foundation
3.	Date of Incorporation	3rd April 2013
4.	Form of cooperative	Farmer Producer Company (FPC)
5.	Company Category	Company Limited by Shares
6.	CIN	U01403TZ2013PTC019338
7.	Address of company	Aadhimalai Pazhangudiyinar Producer Company Ltd., 41/111 E, Groves Hill Road, Kotagiri, The Nilgiris. Phone – +91-4266 272277 or write to us – contact@aadhimalai.in
8.	Authorized Capital	Rs 50.0 lakhs
9.	Paid-up Capital	Rs. 48.85 lakhs
10.	District/Villages covered	147 villages
11.	Number of members	1609

12.	Board of Directors	7
13.	Total turnover	Rs. 1 - 2 Cr.

Source: **As of Balance sheet was last filed on 31 March 2020 (<https://www.tofler.in/aadhimalai-pazhangudivinar-producer-company-limited/company/U01403TZ2013PTC019338>, <https://www.indiamart.com/aadhimalai-pazhangudivinar-producer/about-us.html>)

8.3 FINANCIAL STATUS:

As on 2021 the company's authorized capital stands at Rs 50.0 lakhs and has 97.7 percent paid-up capital which is Rs. 48.85 lakhs (<https://www.credivatch.com/profile/aadhimalai-pazhangudiyinar-producer-company-limited>). During the year 2020-21, the company's revenue turned out to Rs.1.09 crore as against Rs.83.5 Lakh during 2019-20.

8.4 BUSINESS ACTIVITIES OF APPCL:

The PC Encourages traditional farming practices by adopting organic method of cultivation, follows sustainable practices like conservation of natural resources, livestock rearing and also harvest the forest produce. Moreover, the PC is also involved in processing of harvested produce, trading, landscaping as well prepare various handicrafts.

8.4.1 Major Crops of APPCL

- The Producer Company is involved in organic cultivation of coffee, pepper, silk cotton, millets, pulses, cereals, spices and fruits.
- Moreover, the members are involved in collection of honey, harvest forest produce like amla, shikakai, soap nuts & berries, phoenix leaves seasonally from the adjacent forests.

8.4.2 Key Interventions of APPCL

8.4.2.1 Establishment of Processing Units: Different resource centres in NBR working on sustainable livelihood aspects were federated and registered independently under APPCL. They operate in four areas of NBR and undertake production and processing aspects. The details are furnished here under.

APPCL procured and processed over 30 tons of NTFP and Agri produce, and have over 50 different varieties of products.

Bangalpadigai: This production centre is involved in traditional millet farming, collection of Shikkakai, Nelli, Soap berries, phoenix leaves and honey in major quantities. Silk cotton, coffee and pepper are the major products among agricultural crops. The centre has established ginning units for cotton and silk cotton.

Hasanur: This centre is traditionally called as “Mel seemai” having largest forest area and is declared as “Tiger Reserve.” Major activities of the centre include traditional millet

farming, cattle herding and collection of Non-Timber Forest Produce (NTFP) for trading. Women were exclusively trained in value addition and marketing of these produce.

Pudukad: the centre is a pivotal for honey, balms, soaps and pickles. The women having faced many challenges

could with stand and continued to perform value addition activities and hence recognized as “Successful Tribal Women Enterprise” in Nilgiris District, by the local government

Pillur: Pillur is an ecologically sensitive area and is a NTFP resource rich region. Rainfed agriculture is predominant in this region despite of Hydal dam and millets, pulses constitute the major commodities in this centre.

All Products of APPCL are FSSAI Certified

8.4.2.2 Product Portfolio: APPCL is

involved in production, processing and marketing of wide range of commodities both agriculture and forest produce from indigenous communities. The members of the PC collect the forest produce directly from forest whereas, the agriculture produce is procured from the land owned by the indigenous community. A portion of collected produce is sold directly in bulk quantities while a major quantity is processed at their processing centres into value added products and packed for marketing. In order to generate employment opportunities, the PC employs women exclusively for value addition activities. The varied products of APPCL includes the following.



Fig 8.1: Product Portfolio of APPCL

In order to generate employment opportunities, the PC employs women exclusively for value addition activities. The varied products of APPCL includes the following.

8.4.2.3 Trainings & Exposure Visits: APPCL provide trainings & exposure visits on sustainable methods of harvesting forest produce, product development and traditional ayurvedic preparations like Triphala churna. The PC is exclusively training the honey hunters for harvesting quality honey.

8.4.2.4 PGS Certification: Organic agriculture has been traditionally practised by the adivasi community in the Nilgiris Biosphere Reserve. PGS offers a hassle free and trust-based peer to peer

certification to the farmers. Aadhimalai will be supporting the farmers with PGS certification by offering a premium procurement price for the produce.

8.4.2.5 Marketing Strategies: Aadhimalai sells coffee, pepper, silk cotton, millets, pulses, cereals, spices and fruits to both Indigenous families and neighbouring communities, ensuring sustainable livelihoods for its members. The company pays them prices that are 30 per cent higher than the market price.



Deseeding of Amla



Handpicking of turmeric at production centres

The PC markets its products either under Aadhimalai's own brand names or rebrands for its customers in the customer designed packaging. For the sale of forest honey, the company has established four retail outlets called "Honey Huts". Moreover, the company has established retail stores in various parts of the country and the consumer can locate the nearby store from the company's official website.

8.5 IMPACT:

1. Aadhimalai has offered a sustainable economic model that supports local communities while incorporating and upholding Indigenous knowledge.
2. Awarded with "The United Nations Development Programme's Equator Prize 2021." The Equator Prize recognizes effective and scalable nature-based solutions to our world's most pressing environmental, food and economic dilemmas.
3. The Aadhimalai Producer Company served as the decentralized production company for various products in different parts of the reserve.
4. APPCL have made use of the manipulation zones within the buffer zones of NBR to create sustainable livelihoods for over 1,600 indigenous members of the collective through the production and selling of NTFPs harvested from the forest.

5. Price discovery of products helps the Indigenous communities of the region keep economic and agricultural independence.
6. Aadhimalai has made a tie-up with The Indcoserve, the largest tea cooperative federation in India and had launched 5 Food Trucks in The Nilgiris. The Food Trucks became a source of employment for 10 Toda Community Members. The Trucks served Millet Food along with Indcoserve Tea.

8.6 CONCLUSION AND REMARKS:

Aadhimalai PPCL has created a sustainable agro-economy for many Indigenous groups within the Nilgiri Biosphere Reserve. The company is mainly involved in promoting sustainable methods of livelihood and hence has trained more than 25 organizations across the tribal areas of India in organic agriculture, sustainable methods of harvesting honey, collection of wild fruits and hygienic methods of handling the produce. Moreover, during the pandemic situation, the PC has extended its core support to its members and has proved itself in providing an alternative of income of about Rs.16.30 lakh by establishing a venture namely “Tea Vandii.” Besides, the company has received the financial assistance from the Govt. of Tamil Nadu, NGOs and NABKISAN.

On the whole it can be observed that, Aadhimalai with the support from Key stone Foundation has created a major impact in the lives of tribal community by providing them a steady income with a markup of around 30 per cent on every product. Moreover, the company has an efficient management structure guiding the farmers on almost all the aspects including price discovery and marketing.

9. EMPOWERING WOMEN THROUGH GROUP APPROACH, A CASE STUDY OF JEEVIKA WOMEN AGRI. PRODUCER COMPANY LIMITED. (JWAPCL) FROM KHAGARIA, BIHAR

9.1 OVERVIEW:

Jeevika Women Agri Producer Company Limited (JWAPCL) Khagaria started in November 2009 under the Companies Act 1956 with an authorized capital stands at Rs 5.0 lakhs and a paid-up capital of Rs 3.75 lakh. JWAPCL is supported by Bihar Rural Livelihood Promotion society under Govt. of Bihar.

The company has been incorporated with a main objective:

- To support community members to enhance their income in terms of providing them better forward and backward linkages, i.e. better market opportunities to sale their agri-produce and get realistic price
- Providing the members good quality agri-input to enhance their production.



9.2 ORGANIZATIONAL STRUCTURE:

JWAPCL has at present 05 Board of Directors with 1206 shareholders with an equity capital Rs.3.76 lakh Total no. of associated farmers are 3000 and the no. of producers' groups involved as members are 50.

Basic Profile of Jeevika Women Agri. Producer Company Limited

Sl. No.	Particulars	Details
1.	Name of the Company	Jeevika Women Agri Producer Company Limited
2.	Founded by/Promoter/ CEOs	Supported by Bihar Rural Livelihood Promotion society under Govt. of Bihar.
3.	Date of Incorporation	25 November, 2009
4.	Form of cooperative	Farmer Producer Company (FPC)
5.	Company Category	Company Limited by Shares

6.	CIN	U01400BR2009PTC015040
7.	Address of company	Mahatama Gandhi Road, Near Laxmi Cinema Khagaria, Bihar - 851204 India
8.	Authorized Capital	Rs. 5.0 Lacs
9.	Paid-up Capital	Rs. 3.756 Lacs
10.	District/Villages covered	Bihar
11.	Number of share holders	1206
12.	Number of associated members	3000
13.	Board of Directors	5
14.	Total turnover	10.86 cr.

**As of Balance sheet was last filed on 31 March 2020 (<https://www.together.in/jeevika-women-agri-producer-company-limited/company/U01400BR2009PTC015040>, <https://jwapcl.in/>)

9.3 FINANCIAL STATUS:

The Company's total turnover from the inception of the company till 2021 is Rs.10.86 cr.

9.4 BUSINESS ACTIVITIES:

Initially the company was involved in seed production packaging, grading, Processing, sales, and input supply to help its member. Reason for this focus on backward linkage was mainly due to shortage of input supplies and lack of awareness about quality of input among the farmers. Major strategy was to use the collective strength of farmers to achieve economy of scale in accessing various input services. After doing impactful work for associated farmers on backward linkages, company got into the field of marketing of farmers produce in 2016. In the year 2016, the company has expanded its business in maize value chain.

9.4.1 Other Activities of JWAPCL

- The PC organizes meetings with progressive farmers at their fields in order to access the market demand for maize as well the requirements of farmers regarding various inputs
- Conducts meeting with pioneering seed companies prior to Rabi season for market linkages.
- Organizes BOD and team meetings before the initiation of rabi season mainly to assess the requirement of maize seed in advance as well as to plan various activities for upcoming crop seasons
- Organizes livelihood specialist meeting regarding FPC planning for input and output business for coming seasons.

- Established mentha oil collection centre and trains the members on its procurement, quality assessment etc.

9.4.2 Major Interventions of JWAPCL

1. Agri Input & Kitchen Garden: In order to ensure nutritional security among women, JWAPCL initiated a concept of supplying kit garden kits consisting of almost 8 to 10 types of vegetable seeds in each kit. Moreover, with the supply of required inputs like good quality seeds on time, the farmers were safeguarded from the exploitation of middlemen, could increase crop yield levels and in the process could save approximately Rs.125 in each 4 kg seed packet. Furthermore, the company organizes awareness programs and training for members on the importance of kitchen garden and its nutrition value.



2. Maize Value chain Intervention

The district of Khagaria is a major producer of maize in the state of Bihar. However, the farmers couldn't find an organized market for the produce and hence exploited by the middlemen for selling the harvested maize. Moreover, this resulted in a low price per unit. Hence JWAPCL has come up with an initiative of maize value chain wherein the farmer members enjoyed the benefits like

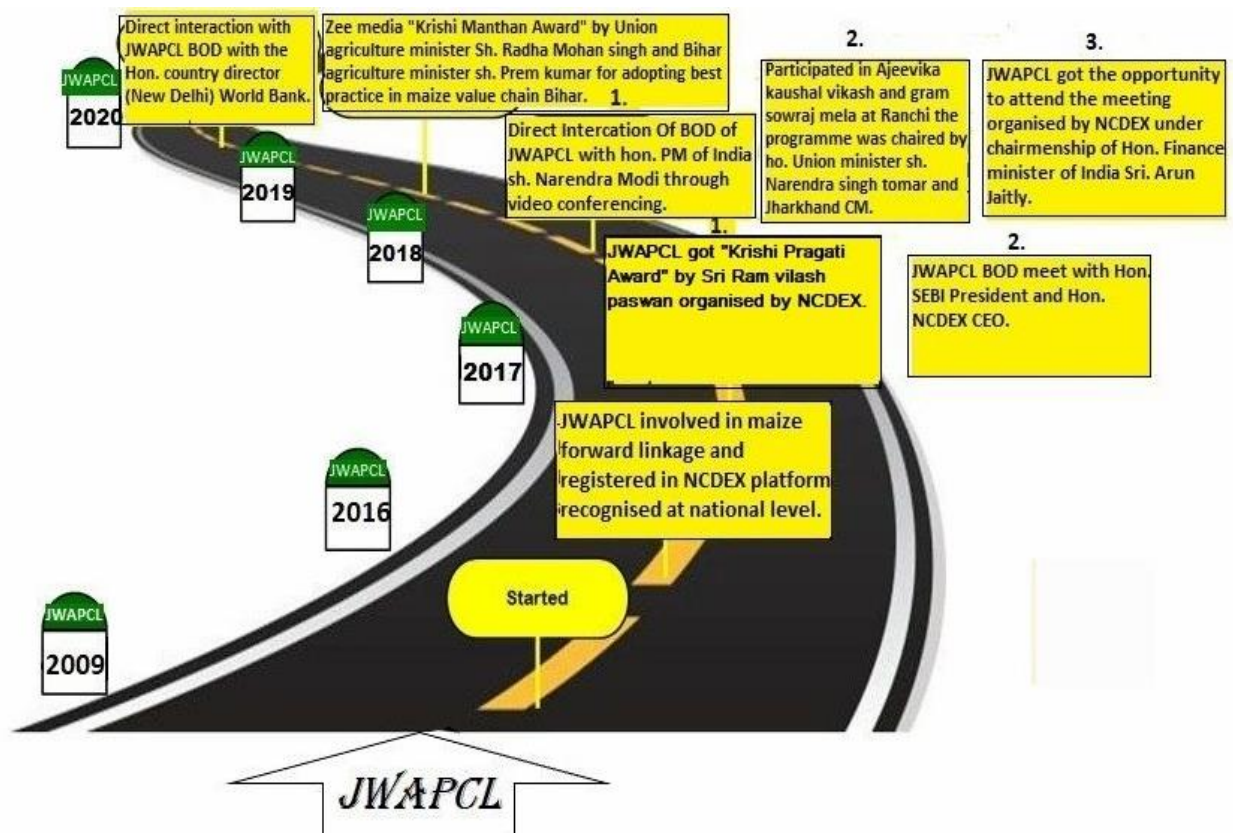


During 2017, the company has procured 3,000 MT of maize as against 1,000 MT during 2016

reduced dependency on middlemen, increased price transparency, digital weighing and timely payments. This value chain intervention resulted in increased income of approximately Rs.120-150 more per quintal maize. To have a price transparency the company opted for online payment to its members. Moreover, the farmers were also able to learn the business trends and are able to send their produce directly to warehouse without any involvement of middlemen.

9.5 IMPACT OF JWAPCL

1. With the initiation of maize value chain, majority of the members has started business i.e. they became the aggregators of maize and marketed the produce
2. JWAPCL has inaugurated Mentha oil collection center at Simra Khagaria for better market reach for farmers.
3. ICAR-IIMR felicitated three women entrepreneurs on International Women's Day, 2021 for their outstanding contributions in the promotion of aggregation and marketing of maize through FPC, Value addition of maize and hybrid maize seed production, respectively.
4. Won the “Krishi Pragati Award” awarded by NCEDX at New Delhi (Hotel Taj) by Hon. Union Minister Sri Ram Vilash Paswan and Union State Minister Sri Arjun Mehwla in 2017.
5. Provided platform for exposure to several organizations like – Microsave, SRLM Arunachal Pradesh, Tata Trust (Trust Livelihood), Aagan Khan Foundation, NRLM, NABARD *etc.*
6. Participated in conference on value chain development conducted by NCDEX in Delhi under the chairmanship of Honourable Finance Minister Mr. Arun Jaitley in 2018.
7. Amrita Devi, who is one of the director in JWAPCL had live conversation with honourable Prime Minister Shri Narendra Modi on the impact of Jeevika and JWAPCL.
8. JWAPCL also received award from honourable central agricultural minister Shri Radha Mohan Singh and Dr. Prem Kumar at the Zee Media program krishi manthan in Patna. This award was given for taking new and innovative initiative in agriculture.
9. JWAPCL also got the opportunity to attend the Ajeevika and Kausal Vikas Mela at Ranchi. The Programme was chaired by honourable Union minister Sri Narendra Singh Tomar, and CM Jharkhand and recognised the company in the better practices in value chain.
10. Direct interaction with JWAPCL BOD with the Hon. country Director World Bank (New Delhi).



9.6 CONCLUSION & REMARKS:

Jeevika Women Agri Producer Company Ltd has created a remarkable impact in the lives of women farmers in the district by creating an efficient supply chain management which resulted in reduced cost of production. Moreover, the company has been proven to bring in the economies of scale by the way of building a unique agri value chain for better market linkages with corporates and NCDEX making the farmers realize higher incomes. Besides, utmost efforts are being made by the company with regard to women empowerment through various capacity building programs, exposure visits and felicitation of women entrepreneurs in order to further motivate and encourage them. The company has also strived hard in order to gain nutritional security of rural women by supplying kitchen garden kits and thus highlighting the importance of the nutrition. Thus, JWAPCL has become a role player in enhancing the livelihoods of rural women.

10. “ENABLING ECO-SUSTAINABILITY AND PROVIDING SAFE FOODS”: -A CASE STUDY OF INDIAN ORGANIC FARMER PRODUCER COMPANY LTD.; KERALA

10.1 OVERVIEW:

With a motto of 'Healthy People, Wealthy Farmer, Healthy and Wealthy Nation', the company was established in 2004 and incorporated under the Companies Act of 1956 to address the obstacles faced by small and medium farmers through expanding their market access and competitiveness in the domestic and export markets,

Mission:
To grow and market organic/fair trade products from member-farmers primarily and also from other such groups, in a cooperative and sustainable manner

The success of IOFPCL can be attributed to its unwillingness to compromise on product quality, marketing of products in such a way that farmers receive a premium price, and internal recognition of its member farmers.

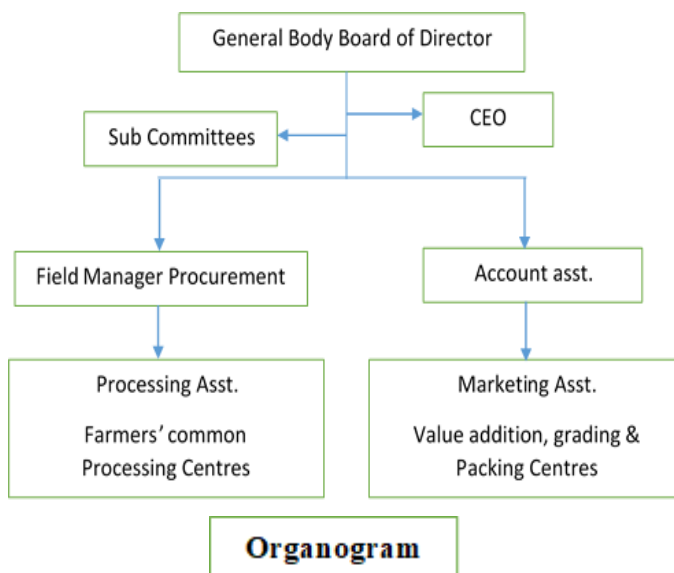
thus achieving

economies of scale. IOFCL involves in producing and distributing Organic and Fairtrade certified products in domestic and international markets. IOCL is one of the pioneering company, which was started immediately after the amendment of companies in 2002 to incorporate farmers

group into the fold of the companies' act 1956.

10.2 ORGANIZATIONAL STRUCTURE:

The Indian Organic Farmers Producer Company Limited (IOFPCL) is one of India's major organic producers, with farmers owning and managing the company. The company serves more than 2500 primary producer members in Kerala, Karnataka and Tamil Nadu. The total number of shareholders of the company comes to 552 holding total share of 2108. There are 543 Individual members and 9 Institutional members covering 35 villages.



There are 7 Directors of Board, full time paid CEO and three other paid employees.

The company follows the cooperative and fair-trade principles. The company is governed by the Board of Directors elected from the member shareholders. The company has been able to achieve significant growth both in terms of membership in a short span of four years. Membership increased from just 10 members in 2004 to 1356 by 2008.

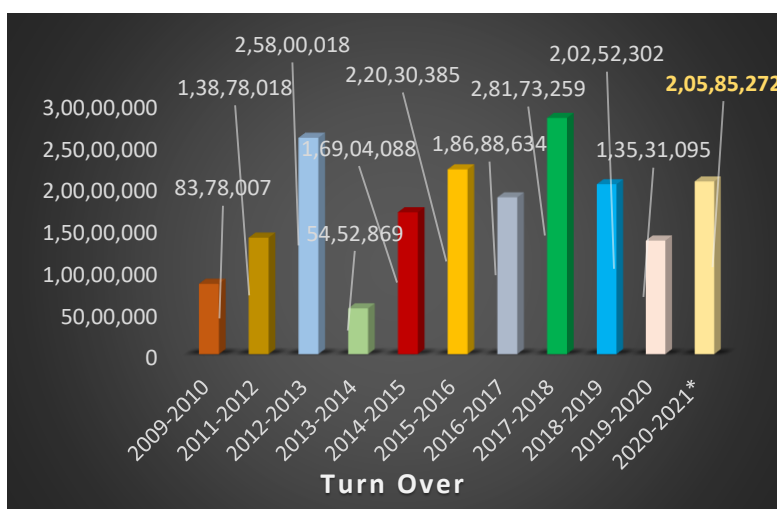
Basic profile of Indian organic farmer producer company ltd

Sl. No.	Particulars	Details
1.	Name of the Company	Indian Organic Farmers Producer Company Limited
2.	Founded by/Promoter/CEOs	
3.	Date of Incorporation	10 September, 2004
4.	Form of cooperative	Farmer Producer Company (FPC)
5.	Company Category	Company Limited by Shares
6.	CIN	U01409KL2004PTC017425
7.	Address of company	H.No.143, Kanguvalli-1, Hosadurga - 577515 Karnataka - India
8.	Authorized Capital	Rs. 50.0 Lacs
9.	Paid-up Capital	Rs. 21.08 Lacs
10.	District/Villages covered	Wayanad, Kannur, Palakkad and Idukki in Kerala
11.	Number of share holders	603
12.	Number of associated members	2500 primary producer members in Kerala, Karnataka and Tamil Nadu.
13.	Board of Directors	7
14.	Total turnover	Rs. 2 Cr.

**As of Balance sheet was last filed on 31 March 2020 (<https://www.toftler.in/indian-organic-farmers-producer-company-limited-under-part-ixa/company/U01409KL2004PTC017425/financials> , <https://iofpcl.com/>)

10.3 FINANCIAL STATUS:

As on 2021 the company has paid up capital of Rs. 20.88 lakh, and its authorized share capital is Rs. 50.00 lakh. Business turnover grew from nil business in 2004 to Rs. 0.552 crores during 2008-09. The company has also set up drying and processing units investing Rs.40 lakhs. With a



rising market value for each share, the patronage value increases proportionally with increased shareholding every year. Company made a highest turnover in the year 2017-18. In 2020-21 made the turnover of around Rs. 2 crores.

10.4 BUSINESS ACTIVITIES:

IOFPCL is mainly engaged with the procurement of Organic and Fair-Trade certified Cocoa, Coffee, Pepper, Vanilla, Cashew, Nutmeg, Turmeric, Ginger and Coconut based on the demands of the domestic and international markets. The company procure only the produces based on the orders placed by the buyers. The quantity procured is less mainly due to lack of required financial resources. The involvement of IOFPCL in the local market is very minimal as the demand for the certified produces is limited in the domestic market compared to the international market. The current total area cultivated by the shareholders is mostly rain-fed and is about 12,793 acres with average holding size of 2.98 acres.



10.4.1 Procurement:

Major crops grown in the area of operation are:

- Wayanad: Coffee, Pepper, Ginger, Turmeric, Vanilla
- Kannur: Cashew, Coconut, Pepper, Vanilla, Ginger, Cocoa
- Palakkad: Coconut, Cocoa, Pepper, Vanilla, Rubber
- Idukki: Pepper, Cocoa, Vanilla, Nutmeg

Coffee

The member farmers in Kerala's Wayanad region provide the highest-grade Robusta coffee. The coffee is grown in the shade at an altitude of 600-900 meters above sea level. Along with coffee plants, a vast range of spices and fruit crops such as pepper, cardamom, vanilla, ginger, and banana flourish. The coffee produced by the company has a pleasant scent



and is moderate. Coffee is acquired from 300 Wayanad/Idukki growers at a rate of 80 tons per year.

Black Pepper

The Malabar area of Kerala is home to black pepper. They obtain pepper from Malabar region farmers which possess a pleasant temperature and fertile soil. Some of the most well-known pepper grades include 'Malabar Garbled' and 'Tellichery Garbled Special Extra Bold' ('Wayanadan'). Different harvesting times and processing procedures result in different varieties of pepper.

Coconut

Kerala has global reputation for producing quality coconuts. Organic coconut and coconut oil has a growing demand in the world market today. IOFPCL procures organic coconut from its member farmers of Palakkad and Kannur districts of Kerala. Harvested throughout the year, the company



procures coconut from 400 member farmers with a yield of 400 tons/year from Kannur, Palakkad, and Wayanad.

Cocoa

High quality cocoa is obtained mostly during the period of June to September from the member farmers of Idukki and Palakkad region of Kerala. The growing demand for certified and fair-trade organic cocoa beans by the Swiss chocolate industry has provided an opportunity for the PPC to tap the export potential at a premium price.

**To launching own
chocolate brand in Europe**

Cashew Nut

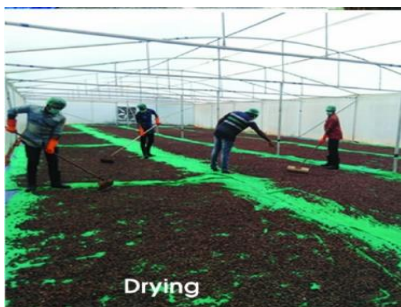
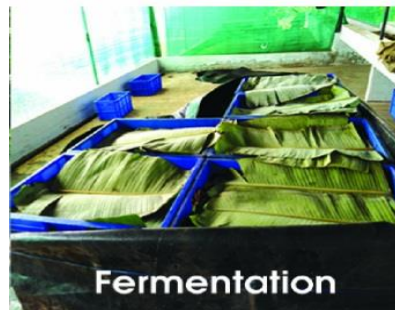
The best cashew nuts are procured from the member growers from Kasargod and Kannur districts in the Malabar region of Kerala State, which is known for the choicest cashew in the world. These cashew



nuts are world famous for their large size and sweet taste. Cashew nuts are harvested during March-May. A total number of 100 member farmers grow about 50 tons/year.

10.4.2 Processing and Value addition:

Cocoa is the only produce so far where value addition has been attempted by the company to access international market. The growing demand for certified and fair-trade organic cocoa beans by the Swiss chocolate industry has provided an opportunity for the PPC to tap the export potential at a premium price. The demand by the Swiss



chocolate industries for organic cocoa beans is estimated at almost 4000 tons per year and IOFPCL is currently able to export only a miniscule of this huge demand.

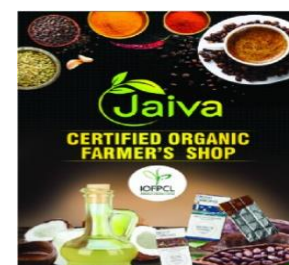
10.4.3 Value addition: The company has its own processing units and produces various value added products like Cocoa powder, Cocoa butter, Chocolates, Cocoa nibs Cocoa Dried Beans , Coconut Oil , DC powder , Virgin Coconut Oil , Spices Powders, Coffee Powder.

10.4.4 Facilities for value addition, grading and packing

- a) Ramapuram - Company's own Farmers' Common Cocoa Processing Centre
- b) Wayanad – Facilities of Organic Wayanad for Pepper and Vanilla and Vanamoolika for Medicinal Plants is being used
- c) Palakkad – Organic coconut oil production is being done by Green Valley Oils

10.4.5 Company Product brand "JAIVA"

The company carries out activities like production, processing, and exporting of organic agriculture produce mainly cocoa, coffee, cashew nut, black pepper, white pepper, nutmeg, vanilla, ginger, turmeric, clove, cinnamon, cardamom, and coconut oil sold in the brand name JAIVA.



10.4.6 Market Linkages:

The Company has provided direct marketing facility to its members and retail chain linkage has been provided through its website www.jaiiva.com IOPCL is also involved in exports of crops mentioned above and has exported more than 300 tones to Europe and Canada.

Farmers who have organic certification as well as those with land under conversion period are also considered for membership. Farmers become a member of the company by taking share, each cost Rs. 1000. In case of group registration, farmers should take a minimum of 10 shares and no limit for the maximum number of shares. At present, there are 552 shareholders and 2108 shares in the company. Based on the number of shares, farmers could sell a proportionate quantity of produce. The voting principle is one vote per member irrespective of the number of shares. Majority of the members carry out group registration as most are small and marginal farmers and the cost for group certification is much less.

Company staff goes directly and purchase products, makes spot payment, after a proper quality check. Quality of the produce is checked at Spices Board, Kochi. Farmers are paid a premium higher price while purchasing the product, hence the profit or turnover is comparatively less, as the company works with the aim to ensure a higher price for farmers. Company takes orders from buyers only if they pay 50 percent of the commodity value in advance and later, procurement of produce from farmers is done. This has increased trust among the member farmers assuring better income.

Since the establishment of the company, they have not received any financial assistance from the government, except a 45 lakhs loan from Nabkisan at 11 percent interest. The interest rate is very high to carry out the activities of a Farmer producer company, says Shiney George, CEO of the company. She added that lack of collateral security is the major constrain to avail bank loans and expanding business.

Cocoa is the major crop marketed and they have their own primary processing unit, whereas processing for other products are leased from other units. Dried cocoa beans are exported to Netherlands and used in the preparation of chocolate brand 'Right Origins chocolate.' This chocolate is launched by Chocolate St. Right Origins Foundation (Non-Profit –ANBI) and co-owned by IOFPCL and uses block chain technology to ensure 100 per cent transparency on its

supply chain data. Since this is fairly owned, IOFPCL gets 80 per cent of the profits, unlike conventional Fair Trade where the farmers receive only 8 percent of the total value.

IOFPCL have carried out fair trade certification activities like providing scholarships for students ensuring welfare of children of member farmers, support for cocoa farmers in buying agro machineries for increasing productivity and training farmers on improved cocoa practices. Lack of funding and the inability to carry out advertisements for the products are major reasons for poor reach to customers. Recently the company has appointed a marketing consultant and initiated online marketing strategies. They are launching organic chocolates for domestic markets in the near future.

10.4.7 Collaboration with global partners

A best way to explore the possibilities that arise when a million minds from all around come together!

Marketing agreements have been formed with companies such as Hindustan Unilever and export traders (Cadbury) as well as international companies in Europe, Switzerland, Canada, and Germany.

Exported 300+ Tons
to Europe, Canada

10.4.8 Services Rendered to farmers:

1. To promote and popularize organic agriculture
2. To disseminate information on latest technology to organic producers
3. To undertake training and capacity building of individuals and institutions
4. To provide advisory services
5. To promote entrepreneurship development programs
6. To develop, compile and publish package of practices, books, and periodicals related to organic farming

10.4.9 IMPACT:

- IOFPCL has obtained licenses from Director General of Foreign Trade as an Importer – Exporter.
- The Company is also a ‘Registered Exporter Member’ of the Spices Board, Coffee board and Agricultural and Processed Food Products Export Development Authority (APEDA). The company has been successful in exporting organic and fair-trade products.

Leading Exporter of Organic Cocoa Beans - Swiss Chocolate Standard. Organic Coconut Oil, Black Pepper, Virgin Coconut Oil and Coconut Oil from Aluva

- IOFPCL is certified organic by INDOCERT as per Indian, European Union and USDA NPoP. The company is FLO Fair trade Certified by FLO-CERT Germany.
- IOPCL has obtained GST Registration, Organic Certification, and Fair-trade Certification.

10.4.10 CONCLUSION & REMARKS:

Devising an efficient and cost-effective logistic mechanism and developing a well-structured system for aggregating smallholder produce and are crucial for any producer company's efficient operation. With a future plan to attract environmental funds from farmer-friendly groups abroad who are interested in supporting fair trade, company provides all supports to fetch eco-sustainability through providing safe foods. The Company gives advice to farmers on mapping and assessing resources (mainly soil and water), sustainable resource utilization and scientific production methods.

11. SAHAJA AHARAM PRODUCER COMPANY (SAPCO)-HYDERABAD, AN ORGANIC WAY FOR EMPOWERING FARMERS: - A CASE STUDY FROM TELANGANA

11.1 OVERVIEW:

Safety and health of food is everyone's concern in addition to taste. Food and lifestyle related diseases are increasingly becoming top cause of death in India. We are what we eat and what we eat is what is grown. The ecological footprints of food before it reaches is as important as what it does to you as a consumer after you eat. Moreover, the use of high agrochemicals, high quantities of water and high energy use in agriculture are severely impacting the environment. Hence, in the processes of addressing these concerns the farmers as well as consumers from Andhra Pradesh and Telangana have come together to create a community owned and managed enterprise namely 'Sahaja Aharam'.

In 2008, after initial successes in scaling up of non-pesticidal management and organic farming in Andhra Pradesh and other states, Centre for Sustainable Agriculture (CSA) made an attempt to collectivize farmers to reach consumers directly by setting up a farmers' market in Hyderabad wherein the farmers can directly sell their produce to the consumers. At the initial stages CSA has realized the difficulties faced by individual small farmers with small marketable surpluses and thus have started organizing farmers and consumers into cooperatives and bringing them on to a common platform to work with cooperation.

The consumer cooperative brought together consumers who are interested in being part of the initiative to support farmers by directly buying from farmers, invest in consumer cooperative which can be used as working capital and share responsibilities in building market opportunities. The first store was started by the Sahaja Aharam Consumer Cooperative in Hyderabad in 2009. The farmers' cooperatives spread across several districts and share a common framework of quality management, pool resources and sell the produce under the same brand name 'Sahaja Aharam'. At the outset, the farmer's cooperatives were federated into Sahaja Aharam Producer Company (SAPCO) in 2014. Today the Producer Company sells organic produce directly through the retail stores owned and franchised.

11.2 ORGANIZATIONAL STRUCTURE:

Sahaja Aharam Producer Company is a federation of registered producer cooperatives whose members are into any form of agro ecological production like organic/natural farming, sustainable agriculture, biodynamic farming or permaculture. The cooperatives are formed with

share capital from the members and the cooperative invests in the producer company, develop a production plan based on their agro ecological conditions and develops a business plan for marketing. Moreover, the federation provides support to its member cooperatives in providing last mile delivery of support services and is managed professionally, organizes business operations aggregation, value addition and marketing. Company has 5 directors and 3 reported key management personnel.

The longest serving director currently on board is Venkata Ramanjaneyulu Gangula who was appointed on 23 February, 2015.

Basic Profile of the Sahaja Aharam Producer Company Limited

Sl. No.	Particulars	Details
15.	Name of the Company	Sahaja Aharam Producer Company Limited
16.	Founded by/Promoter/CEOs	-
17.	Date of Incorporation	26 November, 2014
18.	Form of cooperative	Farmer Producer Company (FPC)
19.	Company Category	Company Limited by Shares
20.	CIN	U01403TG2014PTC096547
21.	Address of company	12-13-445, 1st Floor, Street No. 1, Tarnaka, Secunderabad Hyderabad – 500017, Telangana - India
22.	Authorized Capital	Rs. 25.0 Lacs
23.	Paid-up Capital	Rs. 17.55 Lacs
24.	District/Villages covered	Hyderabad, Vishakhapatnam, Anakapalli, Kamam
25.	Number of share holders	-
26.	Number of associated members	-
27.	Board of Directors	5 directors and 3 reported key management personnel
28.	Total turnover	-

**As of Balance sheet was last filed on 31 March 2020 (<https://www.tofler.in/sahaja-aharam-producer-company-limited/company/U01403TG2014PTC096547/network>)

11.3 FINANCIAL STATUS:

As of 2019-20 financial year company's authorized share capital is Rs. 25.00 lakh and its paid-up capital is Rs. 17.55 lakh. It is involved in Agricultural and animal husbandry service activities, except veterinary activities. The federation apart from raising loans from banks and

financial institutions also raise loans from individuals who can extend loans not just for financial returns but also for social and ecological returns at a low interest rate.

11.4 BUSINESS ACTIVITIES:

Sahaja Aharam Producer Company is a federation of registered producer cooperatives whose members are into any form of agro-ecological production like organic/natural farming, sustainable agriculture, biodynamic farming or permaculture. The members are encouraged to follow an incremental approach to become fully chemical free and are supported through a strong extension system. The cooperatives are formed with share capital from the members and the cooperative invests in the producer company.

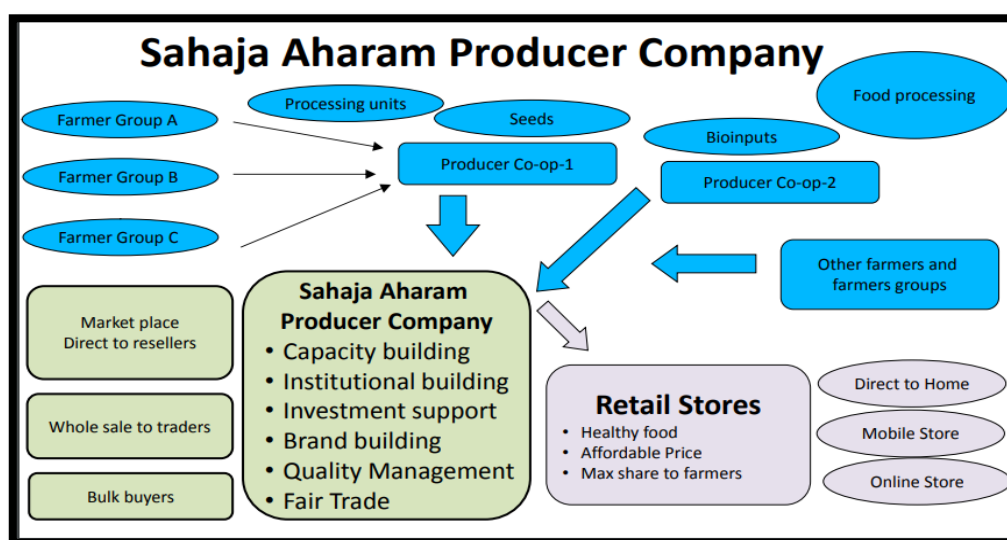


Fig. 11.1 Business model of SAFPC

The cooperatives develop a production plan based on their agro-ecological conditions and develops a business plan for marketing. The farmers’ cooperative provide support for farmers to access all basic services-extension, finance, inputs and market. In some areas on a pilot center for providing custom hiring of services like farm machines and skilled labor. Farmers who adopt organic/natural farming practices are brought under organic certification (both PGS/ICS discussed separately).

While market linkages are created for all farmers for their produce, the value addition and retail marketing support are restricted only to the farms which are more than three years into organic production and are certified either under Participatory Guarantee System (PGS)/ Internal Control System (ICS). The role of producer cooperatives is to provide support services to plan, organize and strengthen production and aggregation of produce.

Sahaja Aharam Retail is part of Sahaja Aharam Producer Company Ltd., (SAPCO) is a federation of 23 Farmer Producer Organisations (FPOs) across the states of Andhra Pradesh and Telangana. Sahaja Aharam Retail is an initiative to connect farmers with Consumers (F2C) and building their entrepreneurial skills and linking their institutions to markets (B2B). Today, it's a family of 16 FPOs working with 500 third party certified organic farmers (Regd



Sahaja Aharam Stores

•Hyderabad

- Tarnaka
- Sainikpuri
- Jeedimetla
- Kharkana
- Himayatnagar
- Attapur
- Kukatpally

•Vishakapatnam

- Gopalapatnam
- MVP Colony

•Anakapalli

- Sharada nagar

•Khammam

- Burhanpur

no.org/sc/1310/001394); 7845 PGS organic farmers and 1500 organic in-conversion farmers in Ananthapur, Kadapa, Kurnool, Vizianagar, Visakhapatnam and Srikakulam districts of Andhra Pradesh; in Telangana works in Warangal, Nalgonda, Medak and Adilabad districts

Sahaja Aharam Retail is division of SAPCO which directly retails the organic food to the consumers through exclusive Sahaja Aharam Organic Stores, online store <https://sahajaaharam.com>, Mobile store and through other organic stores. Currently company has 5 stores in AP and Telangana, a mobile store and online sales in Hyderabad. The applications for franchising to other areas and cities are open.

11.4.1 How Producers Company operates?

Any registered farmer cooperative can become a shareholder of the Sahaja Aharam Federation if they are into organic/natural farming and abide by the cooperative principles. The federation provides support to its member cooperatives in providing last mile delivery of support services. The Federation is managed professionally, organizes business operations aggregation, value addition, marketing. The infrastructure like processing and storage facilities are organized as 'Food hubs'.

Currently Sahaja Aharam operates four such hubs one in Bhoddam, Vijayanagaram district and Naguladinne, Kurnool district of Andhra Pradesh and Kallem, Jangoan district of Telangana

and Dorli, Wardha district of Maharashtra. Each hub has storage, integrated processing and packing facilities. Federation also operates distribution centers in Hyderabad and Vishakapatnam for supplying produce to the retail stores. In addition to the Sahaja Aharam Retail stores, the federation also supplies to other bulk buyers.

The federation apart from raising loans from banks and financial institutions also raise loans from individuals who can extend loans not just for financial returns but also for social and ecological returns at a low interest rate.

The federation owns retail stores in Hyderabad and Vishakapatnam and also franchise the stores to small entrepreneurs. The mobile stores go to different living and working complexes at schedule times. Sahaja Aharam also experimented with building communities in few residential complexes where a group of consumers together aggregate their purchases and buy in bulk. In some areas, such aggregation is also done by women entrepreneurs. Sahaja Aharam also has an online store where consumers can place their orders and get delivered at home.

11.4.2 How do company engage consumers?

Sahaja Aharam consumer cooperative constantly engages the consumers to improve their consumption and purchasing behaviour. Nutritional Counselling sessions, urban gardening, household waste management and composting, water harvesting and recycling. Sahaja Aharam also regularly takes up consumer engagement through cooking festivals, exhibitions etc. Sahaja Aharam also engages schools to create awareness in children about healthy consumption.

The farmers' Cooperative provide support for farmers to access all basic services-extension, finance, inputs and market. In some areas on a pilot centre for providing custom hiring of services like farm machines and skilled labor. Farmers who adopt organic/natural farming practices are brought under organic certification (both PGS/ICS discussed separately). The infrastructure like processing and storage facilities are organised as 'Food hubs. Currently Sahaja Aharam operates four such hubs one in Bhoddam, Vijayanagaram district and Naguladinne, Kurnool district of Andhra Pradesh and Kallem, Jangoan district of Telangana and Dorli, Wardha district of Maharashtra. Each hub has storage, integrated processing and packing facilities. Federation also operates distribution centers in Hyderabad and Vishakapatnam for supplying produce to the retail stores. In addition to the Sahaja Aharam Retail stores, the federation also supplies to other bulk buyers.

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Sahaja Aharam Mobile Stores



Sahaja Aharam pickle processing Unit

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11.4.3 Expanding the Basket of Products

The federation also works on developing various food and non-food products which can be made with locally available material and build skills of the local communities to take up these products as livelihood options. From Sahaja Aharam which broadly covers all food produce including ready to eat snacks and foods, the federation now has Sahaja Soundarya for personal care products, Sahaja Oushadi-natural health care products and now Sahaja Kala-art forms from natural products.

11.4.4 How to Ensure Quality?

All farmers who are members of cooperatives register themselves for either Participatory Guarantee System (PGS) or Third-Party Certification system through Internal Control System (ICS). Under Sahaja Aharam both kinds of certifications follow the same process. 10-15 farmers are organized into a group. Individual farmers maintain records of their operations and the group verifies and gives a collateral guarantee, which means if anyone found to be defaulting, the entire group would be made responsible and again has to follow three years of cycle again. A random sample of 1 percent of the produce is tested for chemical pesticide and GM crop residues.

At Sahaja Aharam, we believe strong quality management system is important if farmers have to reach out to the markets. It is not because market is setting the standards, it also to build accountability when many players are involved.

11.5 IMPACT OF SAFPC

11.5.1 Unique Price Policy:

Sahaja Aharam is the first organic retail chain owned by farmers and consumer collectives. It is built on a cooperative model where several players work together for mutual benefit. This business model has built organized producer and consumer communities who move towards each other in the supply chain, build a trust and cooperative based relation than a competitive and policing relationship which modern markets impose. Today, in the conventional market the farmers share in consumer's price is less than 25 percent in primary produce. The rest of 75 percent goes to various middlemen who generally do not add much value but take significant margins. While the Indian organic market is growing by more than 20 percent per annum, the benefit of it is not much transferred to the farmers. Sahaja Aharam made an attempt to break this and create a

supply chain which increased the farmers share to more than 50 percent in the consumer's price while rest of it is spent on processing and further building capital and retailing.

The Sahaja Aharam pricing both at farmers end and consumers end is based on fair and equity principles. At farmer's level, three price indicators are considered.

- a) Cost of cultivation plus 50 percent,
- b) Local market price plus 15 percent and
- c) 50 percent of average consumer price in a year and whichever is highest is given to the farmer. Similarly, at consumer end the prices are normally fixed at 15-20 percent over the local market price for conventional produce,
- d) 50 percent over the producer price and
- e) Even out extreme prices of last year.

That is how Sahaja Aharam pays more than 50 percent of the consumer price to the members

11.5.2 Traceability of produce and Ecological Footprints:

Each packet sold at the Sahaja Aharam stores can be traced back to the farmer group which has grown it. Centre for Sustainable Agriculture has also developed a methodology to quantify the ecological footprints of food before it reaches the consumer plates. This can help consumers to make more informed and responsible choices while buying.

11.6 CONCLUSION AND REMARKS:

The Sahaja Aharam is a unique model which encompasses to innovative initiatives. The first being shortening of the value chain by directly linking these FPOs to retailer, institutional buyers. This enabled farmers to get higher profit. The second being providing safe food by adopting organic agricultural practices. However, the process of gathering organic certification is time taking. Hence few of the FPOs are realizing the benefits of sustained income.

12. BENEFITS OF COLLECTIVIZATION: IRAMDAM UNITED FOOD PRODUCER COMPANY LIMITED (IUFPC), MANIPUR: - A CASE FROM EASTERN HIMALAYAN REGION

12.1 OVERVIEW:

The Iramdam United Food Producer Company is one of the successful producer companies in the NE region. Iramdam United Food Producer Company Limited (IUFPC), Manipur was incorporated on 23 March, 2016 under the Companies Act of the Ministry of Corporate Affairs of Govt. of India. The initial efforts made by the promoters and department of Agriculture have yielded fruits. The main aim and objective of the company is to alleviate the poverty and provide income sustainability to the farmer producers.



12.2 ORGANIZATIONAL STRUCTURE:

There were 10 members at the time of formation of the Iramdam United Food Producer Company along with 5 Board of Directors. Name of directors are Mr. Salam Hemanta Singh, Mr. Moirangthem Mukhesh, Mr. Singh, Salam Ashalata Chanu, Mr. Sanasam Hemchandra Singh and Mr. Yengkhom Rajendro Singh. The directors of IUFPC conducted few mobilization programs as result there are 304 male and female members including 5 directors at present.

Basic Profile of the IUFPC

Sl. No.	Particulars	Details
1.	Name of the Company	Iramdam United Food Producer Company Limited
2.	Founded by/Promoter/ CEOs	Salam Hemanta Singh, Moirangthem Mukhesh Singh, Salam Ashalata Chanu, Sanasam Hemchandra Singh, Yengkhom Rajendro Singh
3.	Date of Incorporation	23 March, 2016
4.	Form of cooperative	Farmer Producer Company (FPC)
5.	Company Category	Company Limited By Shares

6.	CIN	U01409MN2016PTC008469.
7.	Address of company	Kakching Wairi Thoubal District Kakching Thoubal – 795103, Manipur - India
8.	Authorized Capital	Rs. 15 Lacs
9.	Paid-up Capital	Rs. 5 Lacs.
10.	State/District/Villages covered	Manipur
11.	Number of share holders	304
12.	Board of Directors	5
13.	Total turnover	-

12.3 FINANCIAL STATUS:

The company is classified as a private limited company and is located in Thoubal, Manipur. Its authorized share capital is INR 15.00 lac and the total paid-up capital is INR 5.00 lac. Iramdam has also been implementing its affairs in convergence with NABARD, SFAC and Agriculture Department. Iramdam FPC is a pathway to successfully dealing with a range of challenges that confront farmers today, especially small producers.

12.4 BUSINESS INITIATIVE/ACTIVITY:

The producer company is involved in various Agricultural service activities. After several rounds of farmer's mobilization programs with the help of the Department of Agriculture, State Government, Manipur, 304 farmers joined this company as members of Iramdam United Food Producers Company. Core activities taken by the members of FPC are crop production and preparing and processing of food materials in different forms. Major crops produced by the members include potato and black rice. The company procures product from farmer members and deals in bulk for selling with fast food producer companies and other markets. Part of the produce of potato so procured is retained as a raw material for food processing unit. The IUFPC, Manipur started a Custom Hiring Centre for providing farm machinery- inputs support to member farmers and other farmers who have small land holdings.

12.4.1 Initiative for Market Linkage:

Iramdam United Food Producers Company, Manipur has taken an initiative to create a linkage between market and rural homes for sale of new type food products which are made by rural women at their home. Processing and post-harvest technologies are becoming one of the

important income generating enterprises for farm women especially in rural areas. For this Smt. Salam Ranjana Devi is one such progressive and inspirable woman member of the FPC who became a role model in changing a lifestyle by producing black rice cake at her own home. She procured the necessary raw materials i.e., black rice which are readily available in her locality. With the help of her many women members produced black rice cake. Besides, the members were also involved in preparation of fruit and Amla Candy products, Bakery items, Bamboo Shoot, Ngari, and Pickle etc. These products of the company were made available to the buyer. Due to scale, the members of the company were able to bargain with the buyers for a better price. The FPC also provides training on food processing to women members and other non-members of FPC. Constraints imposed by the small size of their individual farms, IUFPC members are able to leverage collective strength and bargaining power to access financial and non-financial inputs, services and appropriate technologies, Tap the value markets and enter into partnerships.

12.4.2 Challenges:

In group approach, imparting a sense of belongingness is one of the challenges relating to farmers. Members think that the state government is unaware of the importance and capacity of having FPC. Iramdam faced so many problems at the production level starting from the primary level to the secondary. They did not have funds for investment at the farm production level and for processing as well. In the initial phase they could not realize the merits of collectivization. The directors were trying to connect with the government to get any type of financial support. There was a notion that if they get any financial support for the FPC, then Iramdam United Food Producers Company members and many of the new farmers will be taking interest to joining that FPC. These challenges were addressed by the Board of Directors of the company with the help of Department of agriculture and continuous meetings to pursue the members regarding the advantages of collectivization.

12.5 IMPACT OF THE COMPANY:

The resource institute, Board of Directors of IUFPC, Manipur are conducting regular meetings to discuss the challenges faced by them. Suggestions are offered on integrated pest and nutrient management practices, farm mechanization, marketing etc., for adoption of sustainable practices and money-saving solutions. The idea was to get farmers to act collectively and obtain group discounts on the purchase of agriculture inputs and, thus, eventually reduce transaction cost. On the other hand, they get a better price for the sale of their produce collectively. IUFPC has

enabled farmers to exercise more control over their input requirement and output marketing. From last two years due to COVID-19 pandemic the IUFPC has not earned more profit and currently turnover of FPC is Rs. 25/- lakhs and annual profit is Rs. 45/- thousand. But still Board of Directors of IUFPC, Manipur are trying to connect with more farmers and also started work on their initiative.

Through IUFPC, Manipur, farmers are collectivized, sharing their farming experiences with each other. Production cost has been lowered due to low-cost inputs available in IUFPC where they can be accessed easily. Establishment of custom hiring center by IUFPC which offer machinery at affordable rates has improved productivity and reduced the drudgery of farm labor.

12.6 CONCLUSION AND REMARKS:

The process of IUFPC, Manipur formation has given the realization that collectivizing the farmers for meeting the requirement on the farm inputs and increasing the direct sale of the farmers produce will help the farmers increase the income levels. It also enhances the bargaining power of the farmers. However, collectivizing 304 farmers in a limited area was itself a herculean task. Furthermore, amidst the prevailing vagaries of nature, convincing each farmer to pay the share money was even tougher task. All these seem to be worthwhile when we look at the benefits that the farmers are getting. Conducting repeated meetings at the village level and timely involvement of the officers of Agriculture department has helped in speeding up the process of FPC formation. IUFPC, Manipur is member owned and self- managed organizations and hence, involvement of the farmer members since the beginning is essential. The FPC involving the incubating activities and more thrust on capacity building of Board of Directors and other related stakeholders. However, there is a need to create awareness among the members about the benefits of collectivization, as some of the members are little reluctant.

Supporting Quotes and Images

1. Some Farmer members on their field.



2. Trainings for mobilizing farmers with the help of Department of Agriculture Manipur.



3. Trainings conducted for Food Processing among rural women



13. LINKING TRIBAL TO MARKET - MAA MAULIMA PRODUCER COMPANY LTD, ODISHA: – A CASE STUDY OF EASTERN PLATEAU AND HILL REGION

13.1 OVERVIEW:

Nabarangpur was constituted as a district on 2nd October 1992, after Koraput was vivisected into four parts, each forming a new district. The history of Nabarangpur is very much close and interlinked with the Koraput district, with which it shares its language, lifestyle, heritage, flora, fauna and climate though the topography is a bit different with a greater stretch of plain lands available in the former.

The district consists of 10 CDB with a population of 1,220,946. Agricultural activities are predominant in this district. About 90 per cent population here depends on farming to earn their living. Crops like paddy, maize, sugarcane, groundnut, biri, mung, arhar, ragi, and sesame are grown in the district. Due to a lack of irrigation facilities, most of the agriculture is rainfed.

Maize is one of the predominant crops of the world. It is the third most traded cereal, after wheat and rice. Maize is used for three main purposes: animal feed, food, and industry. In India majority of the product are used as cattle feed. It is supposed to cover more than 50 thousand hectares in this district. The local farmers do not have any clear idea about the end use of this maize. Almost all the harvest is purchased by the local traders.

However, there is no facility of Mandi (market yard) or any government structure. As a result of this, the farmers are being exploited by the traders and money lenders. Truckloads of corn are transported to Raipur, Kolkata, Cuttack and other major towns of the country via Jharigaon and Umerkote. The major challenge with the maize production in the district was the lack of a local Mandi to market the produce. This compelled the farmers to earn less by selling the produce to the trader-middlemen nexus. This also happened because of the loan taken up by the farmers from the middlemen. This created a scenario where the farmer was bound to sell his produce to the trader and middlemen to repay the loan. To remove this issue and make the farmer aware of the price discovery and quality check of the produce, Maa Maulima Produce Company Ltd. was formed to help the tribal farmers get the best return for their produce.

13.1.1 Maa Maulima Producer Company Ltd. is promoted by ACCESS Development Services and supported by Bill & Melinda Gates Foundation and DA&FE. Odisha. At present, the FPO has 1,180 shareholders with an equity of ₹500 per member. The FPO is directly involved in the maize marketing, supplies of agro-input and custom hiring services in PHM of paddy & maize. The FPO covers 47 villages from the Raighar block in the Nabarangpur district of Odisha. The FPO provides

the services to its shareholders: maize marketing support, price discovery and dissemination, quality check service at doorstep, quality input facilitation at doorstep, warehouse facilitation, PHM custom hiring in maize & paddy in harvesting to packing, advance planning of inputs to avoid exploitation and facilitation

13.2 ORGANIZATION STRUCTURE:

The FPO Board and advisory consist of 10 members from which one has been assigned the role of CEO and three are looking after procurement, input and institution building team. The field team comprises of 6 local members who are supported under the MANDI Project, ACCESS Development Services. Four members of the FPO board are in a supportive role to the FPO. Besides the FPO board and advisory members, 1,180 farmers are currently involved with the FPO.

Basic Profile of the Maa Maulima Producer Company Ltd.

Sl. No.	Particulars	Details
1.	Name of the Company	Maulima Producer Company Limited
2.	Founded by/Promoter/ CEOs	ACCESS Development Services and supported by Bill & Melinda Gates Foundation and DA&FE
3.	Date of Incorporation	11-May-17
4.	Form of cooperative	Farmer Producer Company (FPC)
5.	Company Category	Company Limited by Shares
6.	CIN	U01100OR2017PTC027011
7.	Address of company	The Maulima Producer Company Limited is registered in Odisha State at At-Dambaguda, Po-Bhusangaguda Ps-Kundura, Koraput Koraput Or In 764002
8.	Authorized Capital	Rs. 10 Lacs
9.	Paid-up Capital	Rs. 1 Lacs
10.	State/District/Villages covered	Nabarangpur
11.	Number of share holders	1,180
12.	Number of associated members	
13.	Board of Directors	5
14.	Total turnover	12.32 Lacs

**As of Balance sheet was last filed on 31 March 2020 (<https://www.insiderbiz.in/company/MAULIMA-PRODUCER-COMPANY-LIMITED>.)

13.3 FINANCIAL STATUS:

The FPOs set itself apart from others is in financial performance, despite one of the toughest economic downturns during the lockdown the FPO generated a turnover of ₹ 17,755,905

for the year 2020-21. The profits earned were ₹ 217,532. The net worth of the FPO for the year 2020-21 was ₹ 783,917. The share capital of the FPO for the year 2020-21 was calculated to be ₹556,400. The annual turnover of the FPO during the inception year of 2019-20 was ₹ 1,232,569 while the profits earned for that year was a mere amount of ₹ 9,985. The FPO saw an increase of 95.40 per cent in the profits earned in a span of one year. The net worth and share capital of the FPO in 2019-20 was calculated to be ₹ 286,385 and ₹ 276,400 respectively.

13.4 BUSINESS ACTIVITIES:

1) Value Chain and Credit Linkage:

The FPO only performs two primary value addition especially in sorting, grading and repackaging of maize grain. Whereas there's no provision of credit linkage directly from FPO to farmers, however, FPO has credit linkage with financial institutions viz. Samunnati of ₹5.00 lakh and NABKISAN of ₹20.00 lakh respectively for procurement of farmer's produce in cash in 2020-21.

2) Quantity Sold:

The FPO sold a quantity of 2268.45 quintals in the year 2020-21 while they also exported 500 tonnes of maize to Bangladesh through a third party. The bulk of the maize was sold to starch and cattle feed producers in neighboring Chhattisgarh, while a significant quantity was purchased by local poultry firms as feed.

3) Key Initiatives:

The FPO has leased a warehouse of 1000 MT to provide storage capacity for its farmers. It has also arranged a direct linkage to buyers through rigorous meetings and interactions. It has also increased the traceability of maize. It's a big leap in maize marketing in Odisha. The maize procured from 1,180 farmers is now completely traceable from farmers' up to the processor. Every bag is now barcode tagged and the entire supply chain is being managed using Block Chain Technology. Ideally, an FPO gets into the Agri-input business at a later stage of its inception, but MMPCL has managed to do so in the very first year of their inception.

4) Capacity Building Programs:

The FPO holds many extension programs to promote capacity building among its members and farmers. The programs include new technology adoption, skill-building, leadership development, leadership development, planning and coordination, maize quality check, FPO maize procurement process orientation and input business process. For the development of its

market linkages, the FPO holds regular interaction and visit bulk buyers across nearby markets like Raipur, Rajnandgaon, Vishakapatnam, and West Bengal and within Odisha. It also provides bulk procurement from the farm gate and directly supplies to processors. The FPO has also employed the use of online platforms like NCML, NeML, and NCDEX etc.

5) Challenges faced by the FPO:

The FPO currently faces the challenge of owning a warehouse facility for input storage. The warehouse currently in use is on lease from the government and is only 1000 MT. Low awareness about the functioning and hesitation in joining the FPO is the major hurdle among the shareholders. The FPO also cannot take supply orders from various processors as they want credit supplies upto 2-3 months which are a problem for small and marginal farmers.

13.4 CONCLUSION AND REMARKS:

The FPO has been recognized by Department of Agriculture and Farmers' Empowerment, Government of Odisha as one of the leading FPOs in the state, though no award has been conferred on the FPO yet. News has spread of the FPO's success, despite the remoteness of the location. Several FPOs are eager to visit to understand how they did it. The maize-mania of Nabarangpur district can be compared in one way or the other with similar trends in cotton, lemongrass, and other such cash crops elsewhere in the state/country. If cotton became a popular choice partly because of the want of irrigation, then maize also thrived partly due to the same reason. The local farmers, who mostly have uplands, found maize as the best available option for economic security than the traditional indigenous crops. And it was natural for them to make the best possible use of this choice, so they did not hesitate for chemical farming. Unfortunately, the government (the Agriculture Department in particular) did not see this as an issue, or a failure to promote sustainable agriculture and food security. Rather it took the maize craziness as an agricultural success. Needless to say, the Department ignored sustainability and food & nutritional safety as well as security for profitable land use. This is what makes the matter critical, for it indicates a dangerous loophole at the policy level. It is high time that when productive land resources are fast diminishing under the expansion of mining, industrialization, urbanization, or other factors optimum and sustainable use of our productive lands is effectively ensured through both policy changes and promotion of best practices.

14. VALUE FOR SMALLHOLDER FARMERS: ARANYAK AGRI PRODUCER COMPANY LIMITED, BIHAR: – A CASESTUDY FROM MIDDLE GANGETIC PLAINS

14.1 OVERVIEW:

AAPCL, Purnea has been a major success story highlighting the inherent potential of FPCs in delivering value for smallholder farmers. Operating in Purnea and Katihar districts, a region known for winter season maize in India, the company has established a farmer centric maize aggregation and marketing model delivering constantly higher price realization for member farmers, while turning in higher profits with every passing year. In 2014, with funding from the Bill & Melinda Gates Foundation, Techno Serve launched the Women's Advancement in Rural Development and Agriculture (WARDA) project to integrate smallholder female farmers into agricultural supply chains and market systems, thereby improving their economic status, reducing poverty, bridging gender gaps, and fostering healthy and inclusive communities. Aranyak Agri Producer Company Limited is a non-govt company, incorporated on 25 Nov, 2009.

14.2 ORGANISATIONAL STRUCTURE:

Aranyak Agri Producer Company Limited is majorly in Agriculture and Allied Activities business from last 12 years and currently, company operations are active. Around 3500 shareholders are the members of this company.

The activities include specialized activities, on a fee or contract basis, mostly performed on the farm. Aranyak Agri Producer Company Limited's Annual General Meeting (AGM) was last held on 26 December 2020 and as per records from Ministry of Corporate Affairs (MCA), its balance sheet was last filed on 31 March 2020. The company has 10 directors. The longest serving directors currently on board are Keeran Devi, Shamsida Khatoon and Asha Devi who were appointed on 25 November, 2009. They have been on the board for more than 12 years.

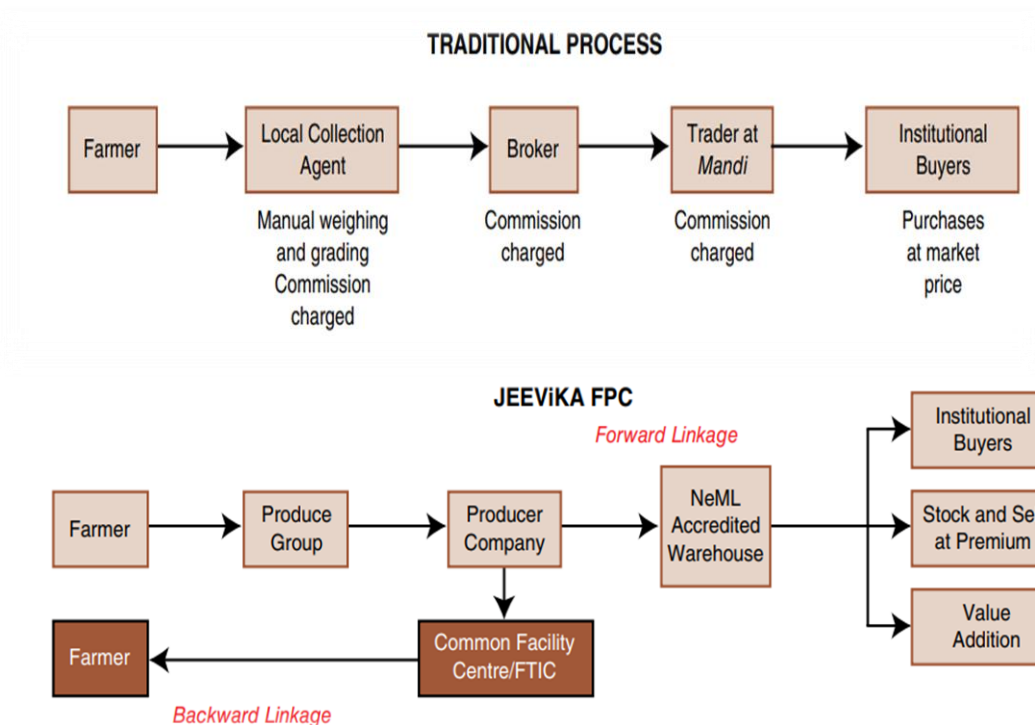
Basic Profile of the Aranyak Agri Producer Company Limited

Sl. No.	Particulars	Details
16.	Name of the Company	Aranyak Agri Producer Company Limited
17.	Founded by/Promoter/ CEOs	
18.	Date of Incorporation	25 November, 2009
19.	Form of cooperative	Farmer Producer Company (FPC)
20.	Company Category	Company Limited by Shares
21.	CIN	U01400BR2009PTC015041

22.	Address of company	C/O Shyama Nand Choudhary, Ward No.12, Near Congress Bhwan, Gokul Krishna Ashram, Purnia Purnia – 854301, Bihar - India
23.	Authorized Capital	Rs. 15.0 Lacs
24.	Paid-up Capital	Rs. 12.16 Lacs
25.	State/District/Villages covered	
26.	Number of share holders	3500
27.	Number of associated members	6,000
28.	Board of Directors	10 directors
29.	Total turnover	-

14.3 FINANCIAL STATUS:

It's a private unlisted company and is classified as company limited by shares. Company's authorized capital stands at Rs 15.0 lakhs and has 73.79 percent paid-up capital which is Rs 12.16 lakhs.



14.4 BUSINESS ACTIVITIES:

Under the prevailing market systems, small farmers lost out owing to unfair procurement practices by the local collection agent. Apart from manual weighing practices where substantial amounts of produce (5–10 ≈kg/quintal) was siphoned off, multiple layers of intermediaries kept

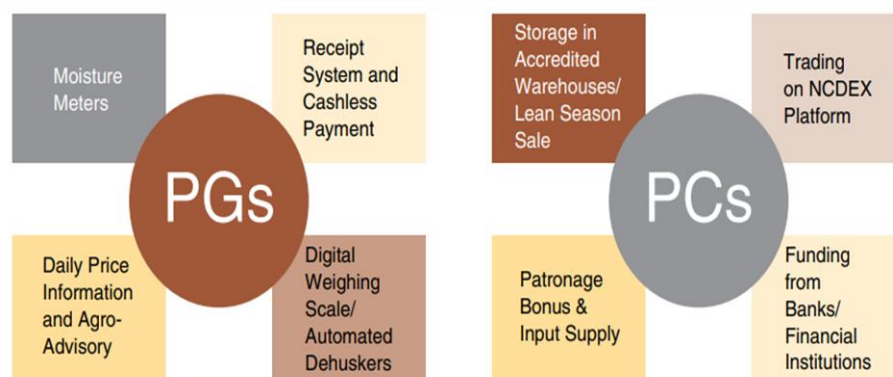
the village level prices much lower than those at the bigger markets. AAPCL disrupted the traditional system of maize marketing with village level PGs acting as aggregation and quality control hubs for harvested maize. The PC, owned and managed by SHG members has linked with online commodity trading platforms like NCDEX for spot and future trading and has also established linkages with accredited warehouses for storage. The SHG members have benefited through higher price realization owing to direct marketing by PC, on time electronic payments, fair weighing practices and off-season sale at higher prices.

Apart from providing 15–20 percent higher prices to farmers, the PC has made profits to the tune of INR 6.3 million in its first 2 years of active operation. From the pilot procurement of 1,014 MT in 2015, the PC ramped up its operations and has reached more than 10,000 MTs during the procurement season of May 2017, benefiting nearly 6,000 farmers. The intervention clearly indicates that provided the right technical assistance and handholding support, rural communities, especially small farmer’s organizations, can emerge as credible market players for specific commodities and value chains.

AAPCL has been able to achieve a series of firsts in agriculture marketing in the state. Apart from being the first woman farmer producer company to register under the NCDEX and the NeML platform, the company was the first to introduce moisture meters at the Producer Groups (PGs) to ensure high quality in procurement.

The company has distributed patronage bonuses to the extent of 70 percent of the profits from year-1 and introduced a host of innovative solutions including mobile-based agro-advisory and price information and warehouse receipts for loans against produce. The company is also licensed to market fertilizers and has facilitated supply of 155 MT of fertilizers to more than 200 members. Current status of Aranyak Agri Producer Company Limited is - Active.

Quality Control Parameters for trade on NCDEX Platform



14.4.1 Learnings from the Experiment:

The overall success of the business model of AAPCL is being replicated across India and other countries as well. The neighboring districts of Khagaria and Saharsa have already replicated the model for their farmer producer groups, and, inspired by the AAPCL's achievements, the BoD of Jeevika Women Agri Producer Company Limited (JWAPCL), aims to tread the same path as well.



Kiran Devi
Aranyak Agri
Producer Company
Limited
Bihar
May 2017

“We track futures prices on our phone daily. Not only did we get good profit by selling maize on the exchange platform but were also able to give about Rs. 50 per quintal as a bonus to our farmer members.”



The women aspiring to serve on these Boards are rapidly developing their leadership qualities, helping to ensure that independently run women-led agribusiness in India,

and around the world, will continue to grow and break the cycle of intergenerational poverty for years to come. AAPCL board members predominately invest their incomes in the health and education of their children, thus improving the whole community. Their participation in the board has catalyzed increased mobility, a savings mentality and entrepreneurial outlook, and an increase in women's household decision-making—especially in connection with girls' education.

“I could only study until fifth grade; my father could not afford the food for his big family, so education was a distant dream for us,” says Kiran Devi, a previous board member who was retained as advisor and an additional director. “When I became a board member for AACPL and began earning profits as a shareholder, I decided to use this money for the education of my daughter.”

14.5 CONCLUSION AND REMARKS:

The FPO has demonstrated how to leverage spot and future trading using the merits of collectivization. Given the scientific price discovery mechanism in spot and future trading, farmer members are likely to get higher price by participating in this platform. It is understood that very few FPO is in the country to leverage this platform. Hence the effort should be made to sensitization to stakeholders.

EPILOGUE

Indian agriculture has made an impressive growth in the recent past. Food grain production has increased from 50 MMT in 1950-51 to 301 MMT during 2019-20. At the same time, there was a significant growth in the production of horticulture crops and livestock products. India is either number one or number two in the world for production of various commodities and livestock products.

However, the Indian agriculture is fraught with many challenges in terms of access to input, credit, technology and market. The major reason for these challenges is diminishing size of per capita holdings. Around 85 per cent of the farmers in India are small and marginal farmers with an average size of less than one hectare. Hence, there is a lack of economies of scale leading to increased transaction cost. Moreover, the long and multiple value chain is resulting into a low-price realization in consumer's rupee by the farmers. In order to overcome these challenges, the only option left is aggregation of these small holders into a group to achieve the economies of scale.

In the past, several such attempts have been made by the policy makers and the oldest form of aggregation was in the form of cooperatives. Though cooperative movement is more than a century old, the success achieved was very limited. The success of cooperatives was confined to few regions and few commodities. Milk and sugarcane sectors achieved a significant success, and the benefits were reaped by the farmers. However, in the case of other commodities, cooperative movement was successful in the western and southern states of the country.

In the meantime, the other forms of aggregations such as FIG, CIG and SHGs were promoted to bring induce economies of scale among the farmers. All these formats of aggregations were able to address issues in an isolated manner. Keeping in view of these facts, GoI has come up with new generation of aggregation tool i.e. Farmer Producer Companies. For promoting these FPCs, Companies Act 1956 was amended in the year 2002 and a separate chapter was incorporated. These FPCs are professional organizations and will be able to take care of all the activities in the supply chain. They provide for distribution of profit and the capital is accumulated from equity contribution by members. The CEO is appointed to manage the FPCs and there will be a Board of Management who are necessary from farmer members of FPCs.

Since 2002, around 9500 such FPCs have been promoted in the country by agencies like SFAC, NABARD, NGOs, state governments etc. However, among these 9500 FPCs around only 20 per cent of them are able to function and are sustaining the business.

As per the report of Azim Premji University on Farmer Producer Companies in India, as of March 2019, there are 7374 FPCs registered and promoted by various agencies covering 4.3 million small producers all over the country, with an average number of shareholders of 582 per Producer Company. Around 92 percent of these FPCs are farm-based and 3 per cent of PCs were formed with only women members. However, around 50 per cent of the total FPCs were registered in only four states namely Maharashtra, Madhya Pradesh, Tamil Nadu and Karnataka. It was also observed that there has been an increase in the number of FPCs (Table-1) during 2013 to 2019 but with a decline during the years 2017 (12.66 %) and 2018 (38.46 %). However, though the number of PCs are being increased year on year, yet there are almost 32 districts in the country with more than one lakh farmers which do not have single PC registered. In addition to this, the top twenty (20) districts with high number of agricultural workers have very few PCs.

When it comes to the case of paid-up capital (PUC), only 20 producer companies contribute for more than 50 per cent of the combined PUC of all the companies out of which 10 companies are dairy producer companies and eight (08) PCs registered for plantation crops. Moreover, only 14 per cent of the PCs have PUC of Rs.10 Lakh or more and 49 percent of PCs have paid-up capital of Rs.1 lakh or less.

The reason for success of limited number of FPCs are lack of awareness about functioning of FPCs, legal issues, regulatory issues and many other aspects of FPCs. Hence, there is a need to create awareness among the stakeholders about all issues related to functioning of FPCs. In this direction, efforts are being made to organize number of capacity building programs. Moreover, GoI has come out with flagship program of promoting 10,000 FPOs over next five years. In the new scheme, adequate attention has been given to aspects like supporting FPOs with sufficient funds, handholding for five years and capacity building programs.

All these efforts and programs of GoI on one hand will boost the formation and implementation of FPOs. On the other hand, it is equally important to learn from the past experiences and also by analysing the factors responsible for successful FPOs. In this direction, an effort is made in this book to document the factors responsible for success and how best these

practices can be emulated in other existing and upcoming FPOs. In the light of these facts, the following recommendations have been made.

- **ATMA** – ATMA may be roped in for up scaling the FPOs on large scale across the country due to its presence in all the districts. The constitution of ATMA encompasses promotion of Farmers Interest Groups which may be leveraged for up scaling FPOs. ATMA is a **platform** where all the line departments are converged for extension services and act as a one-stop solution for the problems of farmers. This will help in addressing extension needs of farmers and farmer groups for crops as well livestock activities. ATMA to facilitate buyer-seller meets and linkages with resource and knowledge institutes in the district. ATMA can be leveraged to integrate farmers group with different schemes of the line departments and government.
- **Linkage with knowledge institute** - ATMA needs to involve in the process of aggregation of farmers for having local presence. The ATMA can also help in establishing linkages with knowledge institutes like KVC and Universities.
- **Simple aggregation Model** – Simple model consisting of 100-300 farmers preferably in the cluster of villages may be promoted on the lines of FIGs. The model should have simple registration process involving minimum legal compliance. Tenant farmers to be organised through models like JLG to extend benefits of different scheme to them as well
- **Promoters** – The concept need to be promoted not only by government agencies like SFAC, NABARD and NCDC but also by private players like bulk buyers, processing, input suppliers, organized retailers and big corporate houses. ATMA platform may be leveraged for scaling –up of formation of FPOs due to its presence in all the districts and its linkage with all the line departments.
- **Sources of Funds** – SFAC may be provided with sufficient funds for formation of farmer-organization. Besides, on the lines of NABARD, SFAC may be supported to have its network at the regional level. For, this purpose there is a need to restructure organizational set up of SFAC by providing adequate manpower and funds to have its network at least at state level.
- **Focus on quality production** - No doubt the concept FPO envisages solutions for problems in marketing of agriculture produce. However, in the process these agencies should not lose the focus on production aspects. Hence, at the farmers level, emphasis should be given

for quality production, optimum use of technology and resources and to have a proper mix of farm and non –farm activities to provide sustainability. Crop planning at FPOs level should be as per the market demand, buyer’s requirements and should have traceability elements to cater to international trade also.

- **Platform for delivery of inputs and extension services** - FPOs can be used effectively for establishing backward linkages for effective delivery of services like inputs supply, information dissemination, bank linkages and delivery of extension services. FPOs on account of their structure may help member-farmers perform different activities more efficiently for these purposes. Taking up input and extension-based activities will not only help farmers in producing more efficiently but also help the organizations earn margins and profits mainly in initial years. Gradually, the farmers’ organizations may start taking up marketing related activities and may be connected on to a business entity. FPOs have the potential to develop themselves into a professional agency, by performing all the activities envisage in the policies for formation of FPOs.

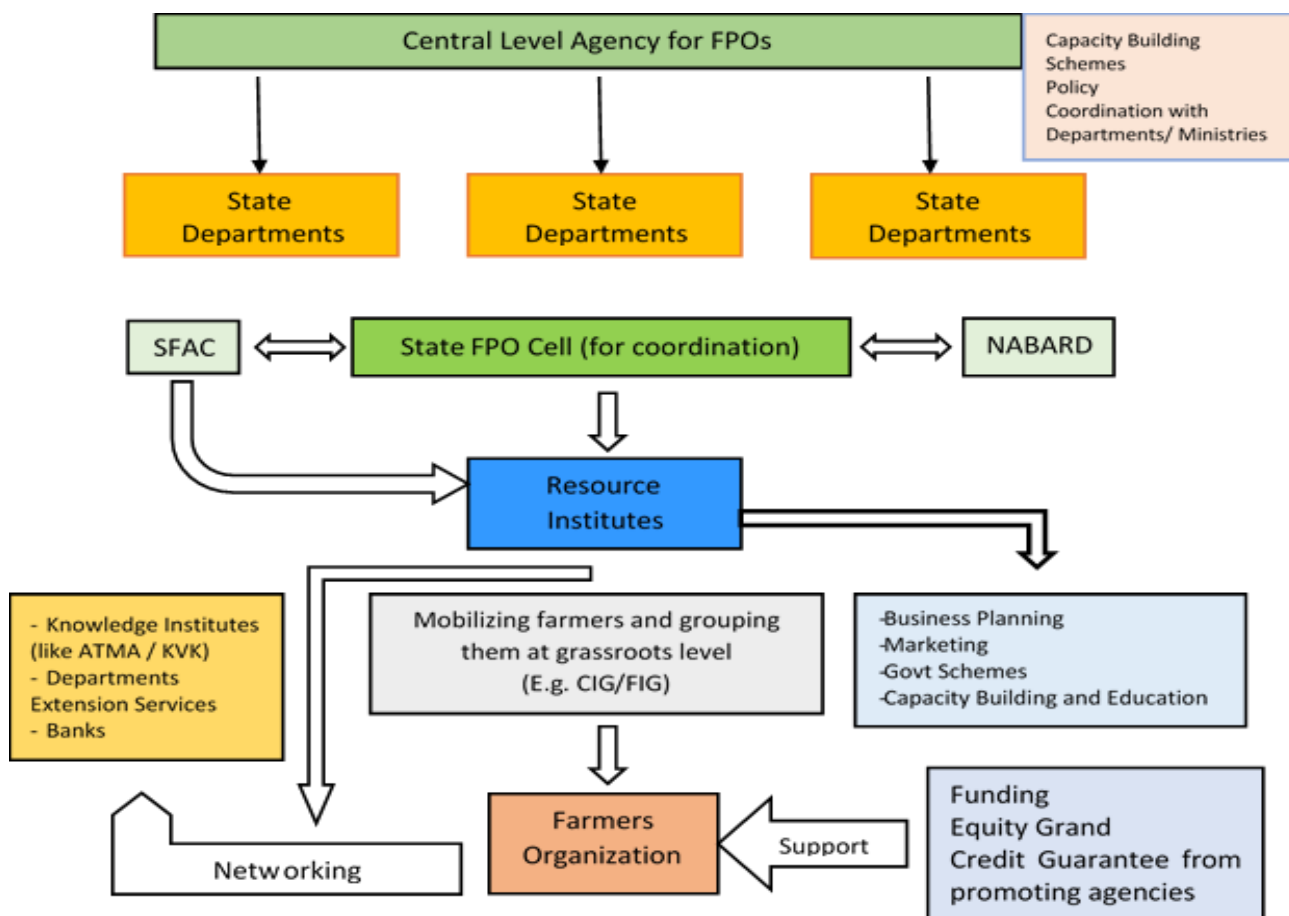


A comprehensive coverage farmers organization model with linkages with both market and extension services

- **Access to credit** – Access to credit will play a crucial role for investments in creation of infrastructures required for production, post-harvest management, processing, value addition and marketing. Once the FPOs attain maturity stage in their business, an appropriate credit policy for creation of required infrastructures assumes significance. However, under Agri. Infrastructure Fund (AIF) Scheme, financial assistance is provided for establishing postharvest management infrastructure by the FPOs.
- **Evaluation** – FPOs need to have a comprehensive evaluation system consisting of their financial health and impact on member-farmers in term of income, diversification, market integration, access to extensions services, etc. This approach will also help in using this as a platform to take various benefits like credit, insurance, inputs, *etc.* to the farmers which

otherwise are not available to many farmers like land-less tenants. NABARD has developed a score card for evaluation of FPOs based on various parameters.

- **Continuous support** – The financial support available under different schemes need to be made uniform and over a longer period of time. This support may be based on the review of the performance of the organizations.
- **Capacity Building** – A comprehensive strategy for capacity building of all stakeholders at different levels to be in place. Institutes like MANAGE and NIAM at national level and SAMETIs at state level may be roped in for capacity building at TOT level. However, the funds earmarked by GoI. in the new scheme for promotion of FPOs are going to boost the promotion of FPOs.
- **Leveraging farmers’ organization for extension services delivery** - The farmer organization may be linked with different agencies for efficient delivery of technology and extension services. Backward linkages coupled with market led extension services



Comprehensive new model to promote FPOs

A Comprehensive model

A comprehensive model is required to promote farmer organizations in the country on large scale. The model will have scope for all agencies to participate and this focuses on networking between different national and state level agencies. Capacity building has been identified as one of the important components of the model. The aggregation of farmer has to be promoted through some simple tool unlike FPC which seems to be more suitable for 2nd level aggregation. The model also speaks about involved agencies like ATMA for better knowledge linkages. The model is as depicted below:

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