

Case study 2: Farmer Producers Organization Chaitanya Agriclinics-Service Providers for Farmers Producers Organization Authors: Saravanan Raj and Jyoti Todd



India | West Region | Maharashtra | Pune | Chaitanya Agriclinics | Kiran Dumbre **Initiative Overview**

Venture: Kiran Dumbre is promoting Chaitanya Agriclinics since 2014. It provides technical support and services to Farmer Producer Organizations (FPOs). There was a need for technical support services in the development and setting up sustainable business unit, to serve members of the FPOs. Chaitanya Agriclinic is providing technical consultancy to the targeted FPOs for developing their strategy to grow up as an organization, increase the share capital by means of implementing innovative services to the targeted farming community in the local area.

Agripreneur: Kiran Dumbre, a successful agripreneur, has a BSc. Agriculture degree, along with MBA-Marketing and he completed AC&ABC Scheme of MOA&FW, GOI from 09 July to 06 August 2008 (ID No. MS 5053) from MITCON Consultancy Services Pvt. Ltd and started the agri consultancy services after completion of AC&ABC training.





When a farmer is able to establish his or her own enterprises, it gives the greater satisfaction as a agripreneur.

Kiran Dumbre

Challenges

- Mobilization of individual farmers into a formal structured organizations.
- Raise share capital of FPOs.
- Development of a Business plan for the FPOs.
- Promotion bank linkages of FPOs.
- Legal and technical knowledge about Acts and Regulations.
- Convergence with the line departments.

- Solutions

- Providing vision regarding benefits of an organized farmers institution.
- Initiate short time financially viable activities with small changes in the existing production practices.
- Cluster Based approach to determine potential business plan.Convince bankers about financial credentials of the targeted farmers groups, creating awareness among farmers by means of "Financial Inclusion".
- Created association with Charter Accountants (CA) Firm for technical support..Involvement of FPO representatives on follow ups with department officials.

Results

- Providing services to 3 FPOs, one of them has developed a sustainable business plan.
- Formed a group of 15 to 20 farmers. Further these groups will be federated into a Farmer Producer Company, comprising around 1,000 to 1,500 farmers.
- 10 Joint liability groups promoted, 5 Self help groups linked to banks and 2 FPOs linked with bank to sanction cash credit for collective procurement of their farm inputs.
- Totally 700 farmers mobilized into formal structured organizations.
- Totally 600 members increased resulting in an increase in the share capital by Rs 6,00,000 for 4 FPOs.



Detailed description of venture established

As an Agripreneur it is very helpful to work for a group instead of for individuals. It brings in equity and one can benefit from economies of scale. CHAITANYA Agri clinic adopts a social approach to deliver services, technical know-how and backward - forward integration. During the last decade there has been a very big movement by different Govt. and NGOs to form and promote Farmer Producer Companies (FPCs). Unfortunately these FPCs didn't stood up as their own even after 4 - 5 years of their incorporation. They are facing problems in promoting share capital, develop business activities, etc. Agriprenuers are also domain experts for agriculture production. This gap in the existing system triggered business opportunity and now the agripreneur is a consultant to MAHAFPC (a state level consortium of FPC in Maharashtra).

The venture - Chaitanya Agriclinics, initially derived a short loan of `50,000 from SBI for purchasing a laptop. The nodal training officers from MITCON Consultancy Services Pvt. Ltd, provided mentoring support. Various refresher trainings provided at MANAGE has provided a great support through value addition, skill improvement, capacity building and really added value to formulate a bankable proposal.

Trainings and capacity building of farmers, SHG members, FPOs and NGO staff

Chaitanya Agriclinic provides training and capacity buildings to 700 farmers, SHG members and NGO staffs

Services through financial inclusion centre

Chaitanya Agriclinics provide services to more than 600 members annually through the financial inclusion centers.

Promotion of Joint Liability Scheme of NABARD and promoted 20 Joint Liability Groups (JLG). Promotion of residue free vegetable production among 25 farmers of Parali Vaijanath Block, Dist Beed

Onion seed production for FPO

CHAITANYA Agriclinic has taken an initiative to provide services as organizer for seed production on behalf of Krushijeevan Agro Farmers Producer Company, at post Dhangarwadi, Tal Junnar, Dist Pune. In Junnar, Ambegaon blocks of Pune District, onion is cultivated in large areas covering around 10,000 ha. The farmers used to fetch onion seed from local seed distributers or dealers at `2000 – 3000per kg. This adds to the cost of production and profit realized by farmers is very low. Also quality of seed is another problem which causes acute loss in output.

• Promotion of NON GMO cotton seed for sustainable cotton production

During current kharif season, Chaitanya Agriclinics implemented seed production program for NON GMO cotton variety Anusaya (NH 615), identified as a good alternative for BT cotton in drought prone conditions. There is no sucking pest attack identified on this crop. Also boll worms were controlled by using HaNPV.







© Challenges

Constraints faced

- As t providing consultancy or expert support in organizational development is an absolutely innovative activity, the target customer group is not willing to pay for services.
- Technical know-how about formation of Companies is not in the authority of the agripreneur.
- To mobilize farmers into community organizations is very big task. It requires very high skills to convince individual producers / growers to form organizations.
- After incorporation of companies, to raise share capital and develop business plan are important challenges.

Lessons learned

- Farming communities will support agripreneur if provided with tangible solutions to their problems.
- For sustainable development of any community organization, small fund generating activities are needed to be promoted.
- Through community organizations, encouraging services and/or infrastructure, supporting local agriculture, will be an added advantage in the region / locality.

Overcoming obstacles

- Venture was developed with Chartered Accountant firm for technical support with respect to Companies Act 1956.
- Time to time communications and consultation with different line department officials to seek know-how about different government initiatives and schemes.
- Always be associated with fellow agriprenuers and take support of each other.









Initiatives taken

- Development of business activity for sustainable development of FPC: Implementation of Seed Production program for FPO
- In targeted locality, onion crop is a major and assured crop for vegetable farmers. But availability of quality seed is always a constraint. Cost of seed varies from `2,000 to 3,500 per kg.

Innovation to resolve the constraints

"CHAITANYA" Agriclinic has taken up this opportunity as a prospective business activity for FPO development.
An initiative along with local FPO has very successfully been established. The agripreneur organized seed production program for onion crop in the presiding season at seed production pockets, i.e., Vidarbha area of Maharashtra. Few farmers were identified and provided with good planting material and technical knowhow.



Impact

- Availability of good quality seed material for producer farmers at a reasonable price.
- Revenue generating activity for FPOs.
- Development of FPOs by increase in share value.
- Establishment of infrastructure facility at village level.
- Providing services to 3 FPO's, one of them has also developed a sustainable business plan.
- Form 1 group of 15 to 20 farmers. Further these groups will be federated in Farmer Producer Company, comprising around 1000 to 1500 farmers.
- 10 JLGs promoted; 5 SHG linked to banks and 2 FPCs linked with bank to sanction Cash Credit for collective procurement of their farm inputs.
- Totally 700 farmers have been mobilized into formation of formal structural organizations.
- Totally 600 members have increased, resulting in an increase in share capital by `6,00,000 for 4 FPCs.

Outcomes

Production of 800 kg of onion seed was made available to 250 farmers, leading to an increase in the FPOs shareholders numbers by 250 and generated revenue of more than `1500 * 600 = `9,00,000 (by sale of 600 kg of seed for nearly 81 ha) and an additional share capital of `250 * 1000 = `2,50,000/- was generated.

Awards and Recognition

 Recognition from the Maharashtra State Level Farmers Producer Company – a state level consortium of FPO's promoted by SFAC in Maharashtra.

Conclusion

For an Agriprenuer, an Agriclinic and Agri Business Centre promoter, there are different constraints in its establishment and development, viz. finance, human resource, local competition, knowledge and technical skills, etc. FPOs would have a very good platform to implement innovative and productive activities in mutually benefited situation. This will be the result in symbiotic growth, both in financial and institutional ways.

Location



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