

**Report
2017-18**



**National
Institute of
Agricultural
Extension
Management
(MANAGE)
Hyderabad**

**A
CASE STUDY
OF
SAHYADRI FARMER PRODUCER
COMPANY
NASHIK, MAHARASHTRA**



**Centre for Supply Chain Management
and Marketing in Agricultural Extension**

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PREFACE

Aggregation of the farmers, especially small and marginal ones, into producer organizations has been identified as a solution to address many of the traditional ills of the agriculture sector. It goes without saying that access of the small holders to technology, inputs and markets is a necessity for ensuring the growth of the sector. Different tried models of aggregation instruments like cooperatives, SHG, FIG etc. have their own demerits. Hence in order to introduce the benefits of corporate professionalism in a farmer producer organisation, Prof Y.K.Alagh Committee recommended constitution of Farmer Producer Company by incorporating requisite provisions in the Companies Act. Accordingly a new chapter has been incorporated in the Act vide chapter IX A in 2002. Subsequently, Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture and Farmer Welfare, Govt. of India has identified FPC as the most appropriate institutional form of aggregation of farmers. Now a large number of FPCs are in operation in different states, thanks to the special move by the Government of India. It is time to take stock of the operational efficiency and effectiveness of the aggregation instrument of FPC. The present report is a case study (by MANAGE) of Sahyadri Farmer Producer Company operating in the Nashik District of Pune.

FPCs have performed extremely well in the states like Maharashtra, Madhya Pradesh and Kerala. Studies have revealed that farmers have been able to realize higher returns for their produce. Most of the FPCs remain focused on crop planning, technology infusion, input supply and primary marketing. However, amongst the registered FPCs, at least one fourth to a third, have the potential to leverage their presence further up the value chain. Such companies are involved in direct retailing, value addition, storage and processing and are also engaged in contract production of primary and processed agricultural produce.

‘Sahyadri Farmer Producer Company’ is one such farmer producer company operating in Nasik district of Maharashtra which has excelled in a short span of time. It has leveraged its presence in the total value chain by involving itself in all the activities of the supply chain including processing and export. The primary objective of the company was to provide the best of infrastructure and adequate production and processing facilities to the farmers to make them participate in the value chain. The company is working with about 8000 farmers including 11 farmer producer organizations. Majority of the farmers working with this company are small and marginal farmers. The members of the company are involved in cultivation of high value crops like vegetables and fruits. Majority of the members are cultivating grapes by using the technology of Global GAP with the technical backstop of the company. Even in other crops the focus of the company is to produce safe and hygienic food. The bulk of income of the company comes from export of grapes to countries like USA, Europe and West Asian Countries. The company is also

involved in processing activities covering a wide range of products such as fruit juice, ketchup, jam and jelly. The company has got tie-up with major retail players for marketing of fresh vegetables. In a span of six years, the company's capital base has increased from just ₹2 crore in the year 2011-12 to ₹52 crore in the year 2016-17.

Against this backdrop and as per the instructions of the Secretary (Agriculture), DAC&FW, Ministry of Agriculture and Farmers Welfare, a MANAGE team paid a visit to Sahyadri Farmer Producer Company, Nashik for ascertaining the factors responsible for the success of the company. The team comprising of Dr. B. K. Paty, Director (OSPM), Dr. K. C. Gummagolmath, Deputy Director (M&E) and Shri. Krashna Kulkarni, Consultant, MANAGE had interaction with the Chairman of the company, Mr. Vilas Shinde and other management staff, workers and also the farmers in their fields. The success of the company can be attributed mainly to its strategy and vision for vertical and horizontal integration. The farmer- members are proud of their association with the company, thanks to the approach of the management for involving them in the decision-making process. The case of the FPC is a success story.

This is a brief report based on the above-cited quick study by the MANAGE team focusing on the best practices of the FPC. It is hoped that study will be useful for policy makers and different stakeholders of the agriculture sector.

(Smt. V. Usha Rani)
Director General,
MANAGE

Chapter -1

Introduction

Sahyadri Farmer Producer Company Ltd. (SFPCL) 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 is a leading farmer producer company working with 8000 farmer members with a capital base of ₹52 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 MPKVV, 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. Initially, he started cultivating export quality of grapes and used to market the same through agents appointed by the export firms. He realised 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 realised the need for scaling up by working with other farmers in the region. 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. It so happened that in the year 2010, 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.

The idea behind the enterprise was to buy all the Fruits & Vegetables offered by the farmers in strict compliance with food safety standards. The challenges before the company was to provide the best of infrastructure, adequate production and processing facilities to the farmers, who had very low level of awareness about Good Agriculture Practices (GAP).

The company intended to have branded traceable product-mix that would promote sustained growth and ensure the supply of the best quality produce to the Indian Consumers at reasonable prices. The company realised its sole objective, due to operation of economies of scale and reduction in transaction cost. The initiative was focused on building the brand ‘Sahyadri’ by “seeding goodness”.

Chapter-2

Profile of the Company

The company has emerged from the scratch. Today it can boast state-of-the-art technology with integrated supply chains of different produce both for the international and domestic market. The following tables reflect the profile of the company.

i	Name of the Company	Sahyadri Farmers Producer Co. Ltd
ii	Corporate Identity Number	U01403MH2010PTC211392
iii	Registration Date	27 th December 2010
iv	Category/Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
v	Whether listed Company	No
vi	Address of company	SR. NO. 1102/8, Behind police head quarter, At post Adgaon , Nashik, Maharashtra, India 422003

The company laid down its vision and mission on follows:-

Vision

To be a leading Farmer Producer Company (FPC) with the power to bridge the gap between the rural and urban communities;

- To make farming a profitable & sustainable business for all farmer members
- To provide safe, healthy, affordable - farm produce and value added products to the consumers

Mission

Sahyadri Farms to be a trusted, value driven and professionally managed Farmer Producer Company (FPC) of the farmers, by the farmers, for the farmers.

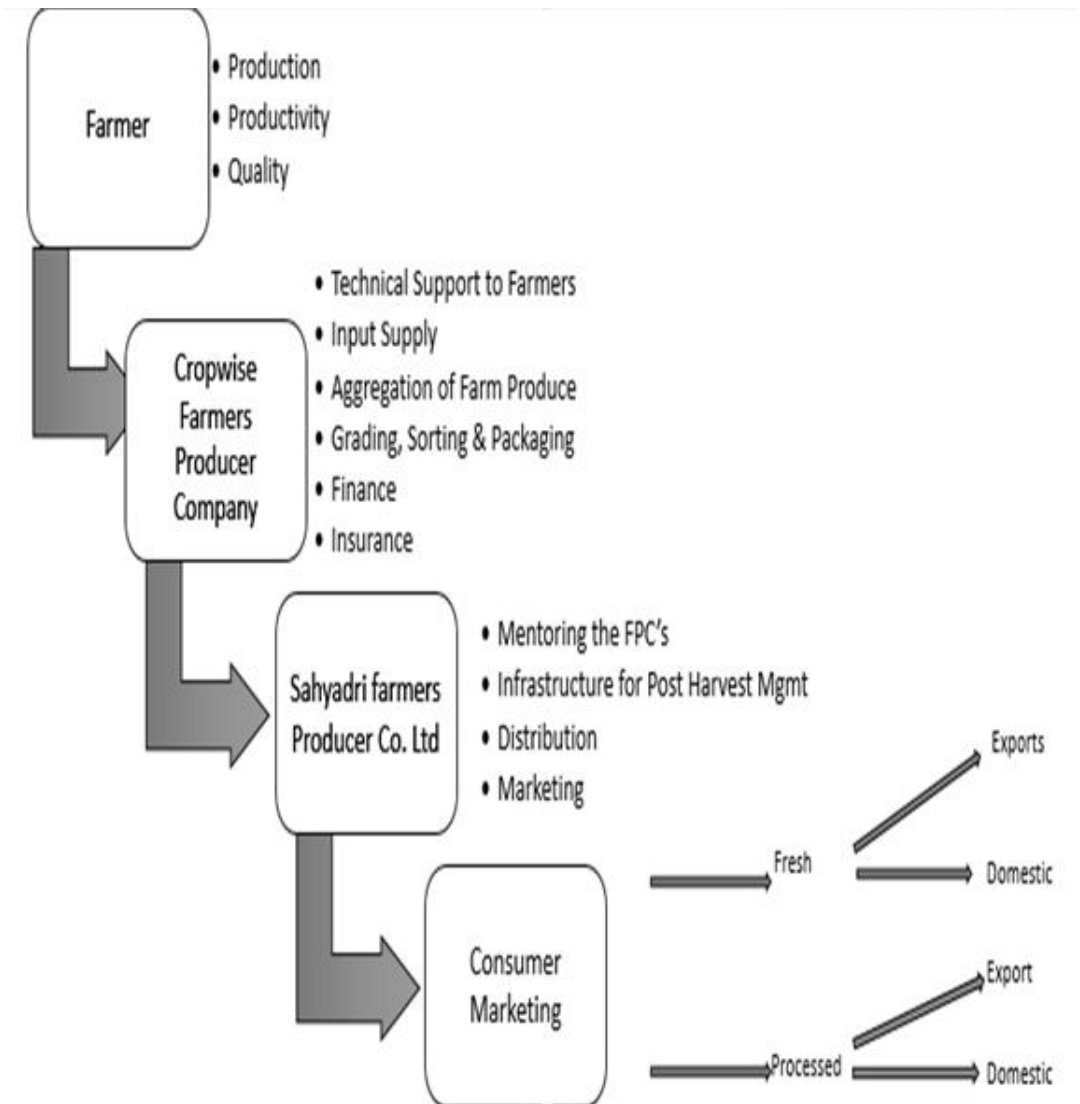
1. Sahyadri Farms aims to make farming profitable and sustainable by;
 - Assuring the best possible realization for all farm produce under all circumstances,
 - Optimal utilization of available resources, as well as reducing overall costs at the farm level and also throughout the value chain,
 - Effective financial and risk management,
 - Mentoring the farmers to increase productivity and quality produce as per global standards using appropriate technology,
 - Effective Post-harvest Management,
 - Better access to market

2. Developing a robust supply chain, which promises traceable, safe, healthy, and affordable - farm produce and value added products, from farm to plate.
3. Building respectable relationships with the environment, employees and all other stakeholders

Sahyadri Farmers' Producers Company – Activities and Achievements

Structure of the Company

Company having three tier structures as shown in below:



Board of Directors

Sr. No.	Name of Person	Designation/	Contact details
1	Vilas Vishnu Shinde	Chairman & Managing Director	info@sahyadrifarms.com
2	Azhar Aliasgar Tambuwala	Director & Head- Marketing	azhar@sahyadrifarms.com
3	Mangesh Kisan Bhaskar	Director & Head- Agronomy	mangesh@sahyadrifarms.com
4	Madan Vishram Shinde	Director & Head - Finance & Accounts	madan@sahyadrifarms.com
5	Shriram Punjaji Dhokare	Director	
6	Purvish Diwanji	Director	pd@sahyadrifarms.com
7	Prashant Dhirendra Jaikrishna	Additional Director & Head- Production	prashant@sahyadrifarms.com
8	Vivek Nemade	Head Maintenance	vivek@sahyadrifarms.com
9	Amit Mathur	Head International Marketing (Processed Foods)	amit.mathur@sahyadrifarms.com
10	Rupesh Khiste	Head - R&D / QA	rupesh@sahyadrifarms.com
11	Rahul Chandratre	Company Secretary	
12	Shitij Agarwaal	Chief Executive Officer	shitij@sahyadrifarms.com

Details of Company Employees

Sr. No	Particular	No. of Employee
1	Supervisors	68
2	Trainees	50
3	Officer	70
4	Executives	24
5	Assistant Manager	22
6	Manager	18
7	Head of the Departments	7
	Total No of Staff	259

Infrastructure of Company.

Sr. No.	Particulars	Capacity
1	Construction completed	3.50 Lac Sq. Ft
2	Construction in Progress	1.50 lac Sq. Ft
3	Aggregate handling capacity	850 MT per Day
4	Precooling Rooms (Number-6)	Each 50 MT Capacity i.e. Total 300 MT
5	Cold Storage for fast moving products	2000 MT
6	Cold Storage for frozen products	2000 MT
	6 Pre-Cooling Chambers	300 MT
7	Advanced Ripening Chambers-8 Each 25 Mt Capacity	200 MT
8	Semi Controlled Ripening Chambers for processing	250 Mt Capacity
9	Fresh Fruits & Vegetables Packing Facility	350 MT / day
10	APEDA recognized packhouse with F & V handling	60 Mt/Day Handling 400 containers per year
11	Aseptic Processing Facility for Mango, Tomato, Banana, Papaya pulp	150 MT / day
12	Advanced FMCG Product Lines - Aseptic Juice, Hot fill Juice, Ketchup, Sauces & Jams	250 Mt/Day
13	Frozen Processing Facility	60 MT / day
14	IQF Processing Facility	60 MT / day
15	Vacuum Pre-Cooling Facility for Leafy Vegetables	20 MT / day
16	0 Degree Storages	2000 Mt
17	“-Ve” Cold Storages	2000 Mt
18	Dry Warehouses	4000 Mt
19	Total No of Growers are registered with	6398
20	Total Area	15789 Acres

Chapter-3

Areas of Business and Performance

The company carries out both backward and forward linkages. As a part of backward linkage, the company provides services such as scientific cultivation or production of crops with the help of extension functionaries of the company. Out of the total procurement, 'A' and 'B' grade produce is sold after primary processing such a cleaning, grading and washing. The 'C' grade produce are subject to processing into different products such as jam, jelly, ketchup, etc. The vegetables such as pea, okra, carrot, corn and fruits such as pomegranate aerals, mango slices and guava and custard apple pulp are subject to Individually Quick Frozen (IQF) process.

To meet the commitment of safe food, the company pursues the following:

- To comply with statutory, regulatory and mutually agreed requirements of the customer.
- To procure excellent quality raw material and process & pack it in hygienic conditions with advance technology.
- Controlling the food safety hazards at the supplier level by approving the Supplier and checking the incoming raw and packaging material before use at factory.
- Efficient utilization of all the resources.
- Meeting customer expectations of required standards of the product in time and at a competitive price.
- Effective Internal and External Communication
- To review and communicate our Quality and Food Safety Policy to all levels of organization.

I. Production

Production includes scientific cultivation of specific fruits and vegetable which is having enormous demand, both in the national and international market. Following are the fruits and vegetables produced by members of the Company:

A. Fresh Fruits

**1. Grapes - Black
(Seedless)**



**2. Grapes - Green
(Seedless)**



**3. Grapes - Red
(Seedless)**



4. Banana – Elaichi



5. Banana – Robusta



6. Guava – White



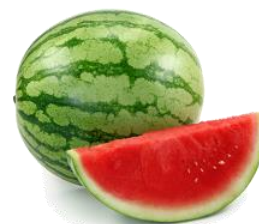
7. Papaya



8. Pomegranate



9. Water Melon



10. Musk Melon



11. Orange



12. Sweet Lime



B. Fresh Vegetables

1. Flat Beans



2. Long Beans



3. French Beans



4. Cluster Beans



5. Brinjal



6. Sponge Gourd



7. Bitter Gourd



8. Bottle Gourd



9. Snake Gourd



10. Ivy Gourd



11. Round Gourd



12. Ridge Gourd



13. Alu Leaf



14. Garlic Green Fresh



15. Coriander



16. Curry Leaves



17 Safflower Leaves



18. Fenugreek



19. Spinach



20. Mint Leaves



21. Dill Leaves



22. Spring Onion



23. Green Amaranthus



24. Red Amaranthus



25. Banana Raw



26. Coconut



27. Papaya Raw



28. Pumpkin-Green



29. Pumpkin-Red



30. Green Capsicum



31. Arbi



32. Beetroot



33. Carrot



34. Carrot Orange



35. Onion- Red



36 Onion-White



37. Potato



38. Raddish White



39. Sweet Potato



II. Processing

Aseptic fruit processing is followed for products by sterilizing and is packed in drums/containers to maintain the sterility, which allows the products to maintain a longer shelf life without any preservatives till the opening of the aseptic bags. The products covered by this process include tomato, mango, guava and papaya pulp. With the all latest technologies in processing, Sahyadri Farmer Producer Company is involved in production of following product in aseptic manner and are stored in aseptic bags/ drums in techno- enabled aseptic warehouse. Following are the products subject to processing:

1. Alphonso Mango Pulp
1. Totapuri Mango Pulp / Conc.
2. Tomato Puree
3. Red Papaya Pulp / Conc.
4. Kesar Mango Pulp
5. White Guava Pulp / Conc.
6. Tomato Paste
7. Banana Pulp / Conc.
8. Tomato paste processing
9. Red papaya pulp/puree
10. Tomato paste

Frozen Fruit Pulps/Purees

Plate freezers are used for freezing fruit pulps/purees like Mango, Guava, Papaya etc. Pulp is made with State-of-the-Art pulp processing line and then packed in unit packs using FFS machines. The product is loaded into the station in trays, the freezing plates then closed hydraulically, thus ensuring double contact, both on the top and bottom of the product. A rapid, efficient and even freezing is thus achieved using advance designed Plate Freezer imported from Temp Tech Thailand. Following are the products subject to frozen technology:

1. Frozen Mango Pulp
2. Frozen Guava Pulp
3. Alphonso Mango Pulp (Sweetened)
4. Kesar Mango Pulp (Sweetened)
5. Guava Pulp (Sweetened)
6. Alphonso Mango Pulp (Natural)
7. Totapuri Mango Pulp (Sweetened)
8. Custard Apple Pulp

IQF (FRUITS & VEGETABLES)

The Individual Quick Frozen (IQF) process perhaps the only method whereby all the natural parameters of the Fruits & Vegetables can be preserved. The most important feature of this process is the ultra-rapid freezing to a very low temperature (-30 degree C to -40 Degree C), designed to arrest the activities of micro-organisms that may cause the decay and deterioration of a particular fruit or vegetable. Such process also gives a much longer shelf life of say 24 months keeping intact properties like colour, flavour and texture of the product. Following are fruits and vegetables subject to IQF technology:

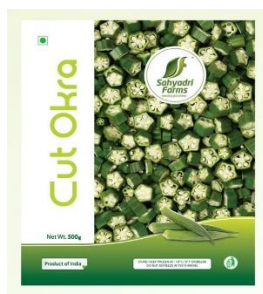
Fruits

- Totapuri Mango Dices
- Papaya Dices
- Musk Melon Dices
- Pomegranate Arils
- Pineapple Dices
- Chiku Slices

Vegetables

- Sweet Corn, Cut Okra
- Cut Beans, Carrot Dices
- Onion Dices, Cauliflower
- Capsicum Dices
- Green Chilli, French Beans
- Cut Bitter Gourd

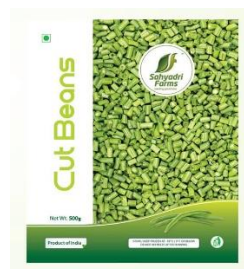
Cut Okra



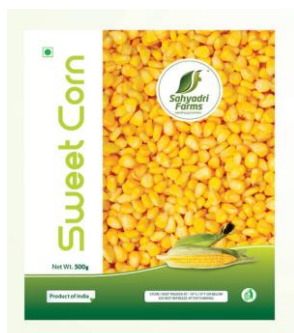
Cut Cauliflower



Cut Beans



Sweet Corn



Totapuri mango dices



Red papaya dices



III. Marketing

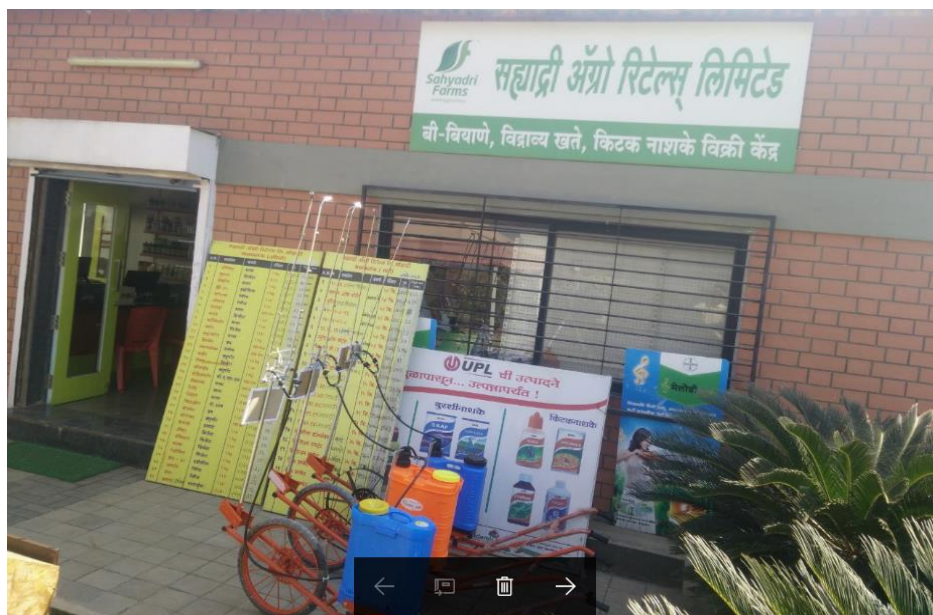
Sahyadri Farmer Producer Companies adopts a comprehensive marketing strategy covering both domestic as well international markets. Such strategy helps the company in ensuring farmers remunerative price for their produce. Over a period of time, the company has created its own brand due to its approach for providing clean and hygienic products. It has been able to establish linkages with reputed retail chain operators in the country, thereby ensuring remunerative price to its members for their produce. The company has made its presence felt in the International market also by fulfilling safety and quality norms as per the international standards. It is sharing its profits earned through processing and exports amongst its members. Due to collective approach, the company is able to reduce the transaction costs to a considerable extent, the benefit of which are percolating down to the farmer members.

Sahyadri Famer Producer Company has also ventured into retailing through its subsidiaries like Sahyadri Agro Retail Limited to develop better integrated supply chains.

Backward Linkage

In order to provide back-end support to the member-farmers, the company has started a Farmer Facility Centre in the company premises. The Centre includes facilities like Consumer Mall, Agri-input retail centre facilitating farmers having easy access to modern agriculture inputs with latest varieties, farm equipment's and technology for scientific crop cultivation to attain maximum output. The company is also providing other services like Bank Finance, Insurance and welfare measures.

Figure: Mohadi- Farmers Services- Backend



Forward Linkage

As a part of forward linkage, the company has developed a good network of domestic retail chain operators for selling produce of its members, mainly vegetables. The company has also developed a chain of retail outlets by establishing stores under different models like, own, franchisee, dealers/distributors. The company has a retail chain of 200+ Stores in western Maharashtra under different models as mentioned below:

1. Business to Consumer (F&V)

It includes following channels of marketing

1. Company – C & F – Own Outlet
2. Company – C & F – Franchisee
3. Company – C & F – Shop in Shop/Modern Store
4. Company – C & F – Dealers & Distributors

2. Business to Consumer (FMCG)

Figure: Nashik- Frontend Retail Store



Mumbai- Frontend Retail Store



The details of the contribution of different activities like production, processing and marketing in terms of total turnover of the company are furnished below.

Details of the main Products and services of the Company

Name and Description of Main Products/ Services	NTC Code of the Product/Service	% to total turnover of the company.
Fresh fruits & Vegetables	1079	82.20
Processed food	1079	12.40
Others	1079	5.40

Performance of the Company:

Export of Grapes

In addition to generating income from production, processing and marketing of different agriculture produce, the Grape export stands a major contributor to the company’s revenue.

Table No. 2: Export of Grape by Sahyadri Farmer Producer Company from 2011 to 2017

Sr. No.	Year	No of Container	% increase
1	2011	156	-
2	2012	221	29.41
3	2013	450	50.89
4	2014	625	28.00
5	2015	570	-9.65
6	2016	904	36.95
7	2017	1150	21.39

The year-wise exports of Grape in terms of containers to different countries in presented in Table-2. The export in terms of containers has increased from 156 in 2011 to 1150 in 2017 registering an overall growth of more than 38 percent. The Company has registered continuous year on year growth with 2015 being an exception.

Figure 1. Year wise Export of Grape by Sahyadri Farmer Producer Company

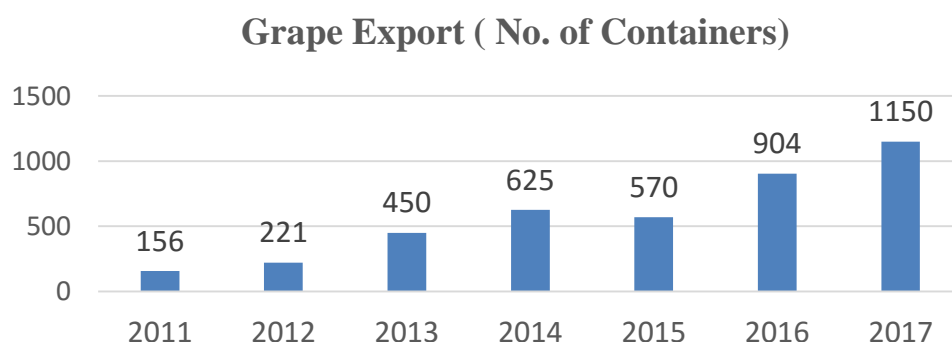
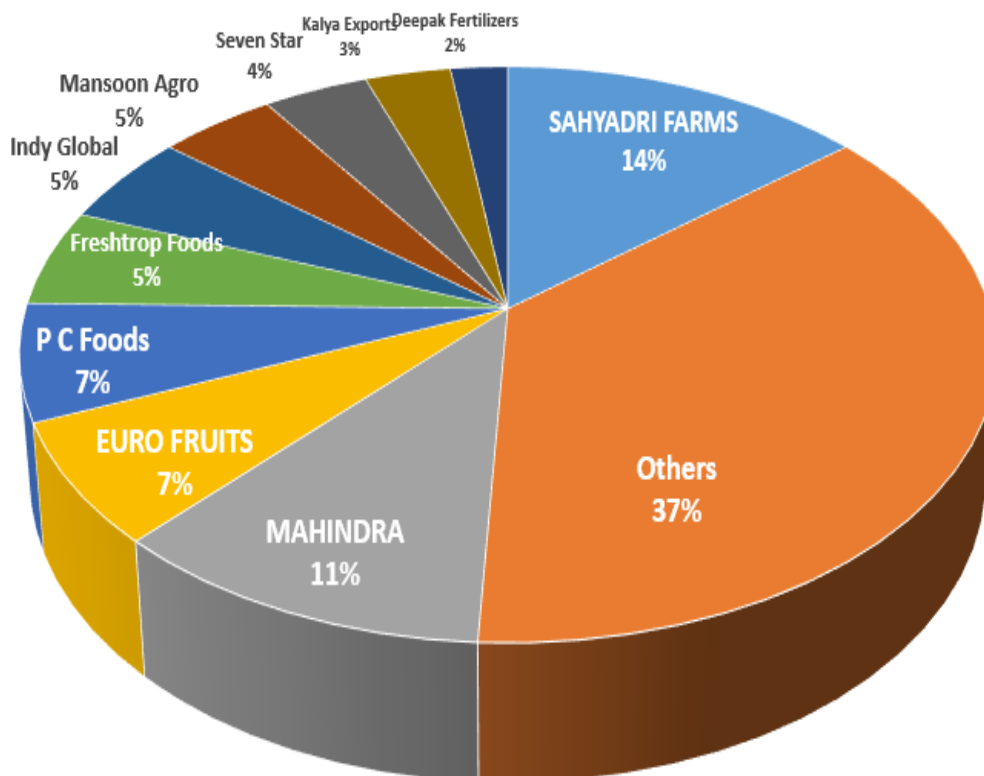


Table No. 3: Share of different Companies in Total Export of Grape in 2017.

Sr. No.	Name of the Company	% of share in total export
1	Sahyadri Farmer Producer Company	14
2	Mahindra	11
3	Euro Fruits	07
4	P. C. Foods	07
5	Fresh TropFoods	05
6	Indy Global	05
7	Mansoon Agro	05
8	Seven Star	04
9	Kalya Export	03
10	Deepak Fertilizers	02
11	Others	37

Sahyadri Farmer Producer Company was the leading exporter of grapes from India during 2017 with a share of 14 percent (Figure 2) followed by others like Mahindra, Euro Fruits, PC Foods, etc.

Figure 2. Share of SFPCL in Export of Grape in 2017



Financial Performance of Company

Table-4: Total Sales and Net Profit of Sahyadri Farmer Producer Company

(Amount in ₹ Crores)

Sr. No	Year	Total Sales	% Change in total sales over previous year	Net Profit
1	2012	14.80	--	0
2	2013	45.19	67.25	0.17
3	2014	98.20	53.98	2.38
4	2015	107.09	8.30	2.02
5	2016	176.20	39.22	7.16
6	2017	223.47	21.15	7.99

Total sales and net profit of the Company are presented in Table-4. The table reveals that the company's total sales have increased from mere ₹14.8 crores at time of inception to nearly 223.14 crores in year 2017. The company on year on year basis has consistently registered a double digit growth with 2015 being exception.

On part of net profit earned by company since inception to recent time i.e. during 2012 to 2017, it has nearly touched ₹8.00 mark.

Figure 3. Year wise Total Sales and Net Profit of Sahyadri Farmer Producer Company

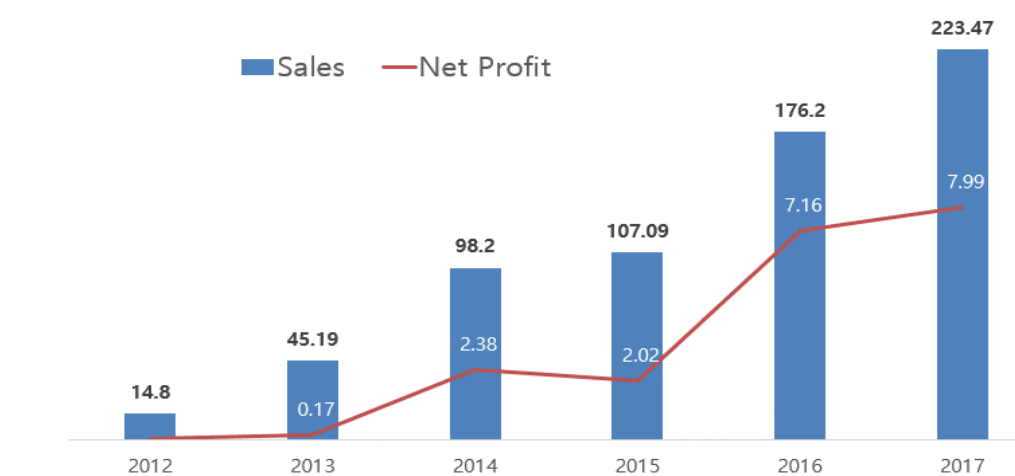


Table-5: Net-worth of Sahyadri Farmer Producer Company

(Amount in Rs Crores)

Sr. No.	Year	Reserve & Surplus	Share Capital	Total Worth
1	2011-12	0.02	00	0.02
2	2012-13	0.18	4.86	5.04
3	2013-14	2.56	20.00	22.56
4	2014-15	4.58	30.83	35.41
5	2015-16	14.02	45.61	59.63
6	2016-17	23.57	52.47	76.04

Table No.5 shows the year wise total net-worth of company. The table reveals the increasing trend in the total worth of company. In year 2011-12 company was having ₹0.02 crores of total worth, which has increased to ₹76.04 crores in 2017. Table also reveals increase in reserves from ₹0.02 crores to ₹23.57 crores during the period. Share capital of the company has increased to ₹52.47 crores. These figures not only reveals the financial health of the company but also the kind of trust farmers have in company and its performance.

Figure 4. Net-worth of Sahyadri Farmer Producer Company

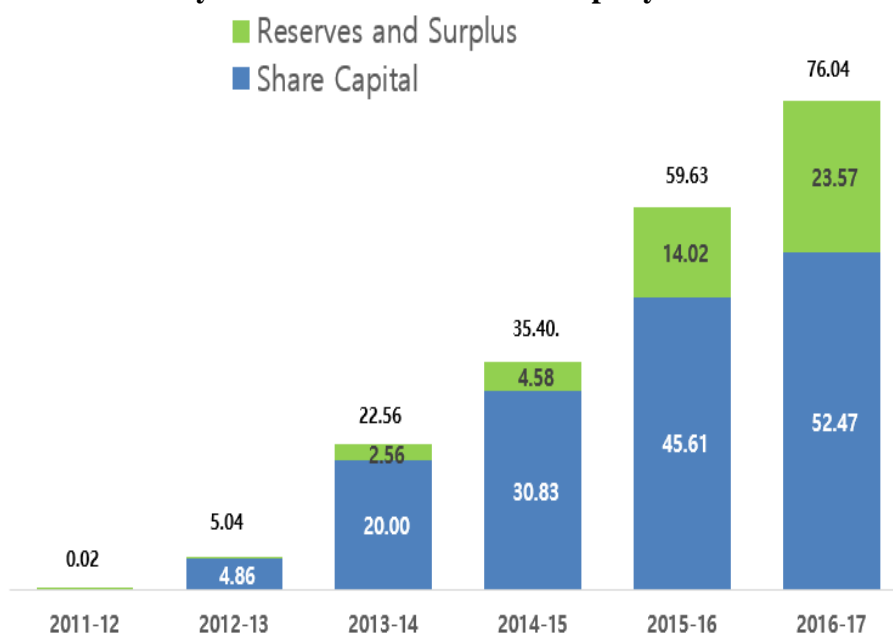


Table-6: Long Term Asset Structure of Sahyadri Farmer Producer Company

(Amount in Rs Crores)

Sr. No.	Year	Own Funds	Long Term Finance	Total Asset
1	2011-12	0.76	00	0.76
2	2012-13	4.77	00	4.77
3	2013-14	26.41	8.44	34.86
4	2014-15	29.14	22.97	52.10
5	2015-16	49.99	27.78	77.77
6	2016-17	92.17	26.29	118.36
7	2017-18 (Up to September)	108.42	30.29	138.71

Table No. 6 depicts the shows the long term asset structure of Sahyadri Farmer Producer Company. The table reveals that total asset of company increased from ₹0.76 crores in 2011 to ₹138.71 crores during 2017-18. In 2013-14 company was having ₹26.41 crores of rupees as their own funds and ₹8.44 crores of rupees as long term finance from different entities. In 2017, company is having ₹108.42 crores and ₹30.29 crores of rupees as their own funds and long term finance respectively.

Figure 5. Long Term Asset Structure of Sahyadri Farmer Producer Company

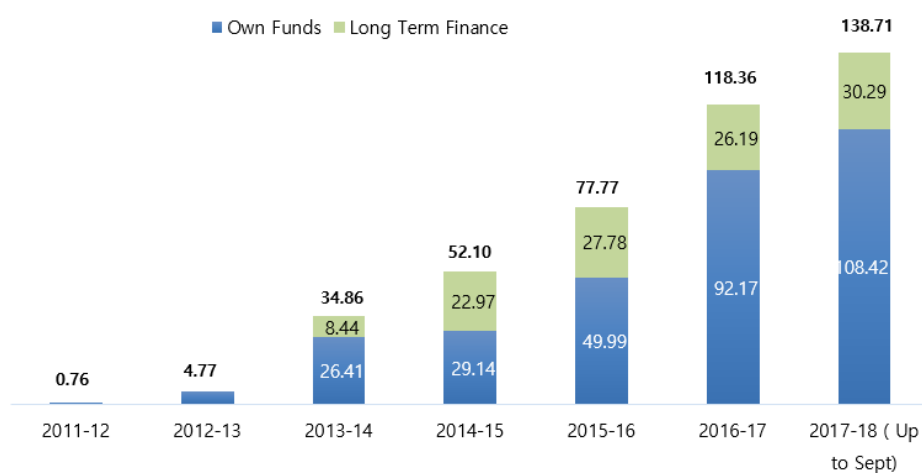


Table-7: Financial Performance of S.F.P. Company in 2015-2017.

Particulars	2016-17	2015-16	% increase to previous year
Total Income	2,07,33,91,464	1,64,84,12,558	-
Profit after Taxation	7,98,94,465	5,52,77,040	30.81
Balance of Profit brought forward from Balance Sheet	7,62,28,457	3,47,70,677	-
Balance of Profit carried to balance sheet	13,61,49,306	7,62,28,457	-

The company has registered an increase of 30 percent in profit during 2016-17 over 2015-16 after taxation.

Chapter -4

Quality Management Tools used by SFPC

a) Initiative of Croplan - Crop Plan Traceability and Farm Management

This Croplan portal of the company assembles farm data in structured format to run analytics to give insight on farm productivity, operational efficiency and output forecast. This customized dashboard helps to monitor the data with 360 degree angle on following aspects:

- Forecasting
- Analyses historical data
- Advance Report
- 360 degree view
- Customizable Reports and dashboards
- Report exportable to pdf
- System generated alerts and & Highlights for all levels.
- Big data analytics.

Crop Stage Monitoring

The initiative facilitates independent crop monitoring and field visits during the development stage with pre-harvest measurements and harvest monitoring. Crop stage monitoring service embraces field visits and qualitative and quantitative assessment. The system helps in undertaking initial survey to evaluate the factors that may influence productivity, creating clear and conclusive final reports to facilitate decision-making, monitor crop development and also track the activities relating to harvest and the receipt of the crop into the storage and/or processing units.

Farm to Fork traceability

The initiative helps in tracking the products during the delivery of the crop to the first storage/processing point, as follows:

- Confirmation of receipt of the products at the storage and/or processing units
- Comparison between received and estimated production output
- Verification of possible product deviations
- Creation of reports containing a total receipt of products from the areas being monitored

b) KISAN-HUB

- This initiative acts as crop advisory and decision support system to farmers
- It includes data integration from production to consumption
- It includes automated weather stations, sensors and satellite imaging.

c) Agro Smart:-Sahyadri Wholesale Market Platform

1. Registration of different stakeholders like farmers, traders, traders licensing and market place configuration
2. Online SMS Gateway Integration Module - Market place web portal, inward/outward and meetings and scheduling
3. IN Gate entry - Weighment process and online auction process
4. Price Declaration - Cess assessment, farmer receipt, out gate entry and rate publishing
5. Card Management Software – online payment module

d) Sahyadri ONLINE Farmer’s Academy- Resource

The “Sahyadri Online Farmers Academy” can be securely accessed through the mobile device by the farmer & other stakeholders to have access to information made available through the platform. Videos of inputs from Sahyadri team of experts and International Experts will be made available to the farmers through the platform at their own convenience, place and time!

Certification and Food Safety Standards

Certification

Sahyadri Farmer Producer Company lays emphasis on scientific cultivation with quality production of crops to meet all the food & safety standards. This helps the company increase their exports. Presently SFPCL got certified by

1. Lloyd’s Register Quality Assurance: Food Safety Management System Standards ISO 22000:2005 applicable to the manufacture aseptic fruit pulps and concentrate, Tomato pulp and puree, IQF(Individually Quick Frozen) fruits and vegetables, Frozen Fruit pulps (Natural and sweetened) and packing of fresh fruits and vegetables.
2. Food Safety Standard Authority of India Licences for Fresh fruits, Fresh Vegetables, Frozen fruit/fruit Products, Frozen Vegetables, Thermally processed Mango Pulp/Puree, Sweetened Mango Pulp/Puree, Thermally processed fruit Pulp/Puree, Sweetened processed fruit Pulp/Puree other than Mango.
3. Global G.A.P. - Certificate of Conformity by British Retail Consortium Certification Body.
4. U.S Food and Drug Administration, Federal Food, Drugs and Cosmetics Act.
5. Kosher Certification- Rabbi Don Yoel Levy, Kashruth Administrator, New York, U.S.A.
6. Halal Jamiat Ulama E- Maharashtra

Chapter-5

Perception of Farmer Members and Consumers

The team, during its interaction with the farmers, got the following feedback. Some of the statements made by the farmers are cited as below.

1. Ramdas Patil

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”.

2. Nana Pawar

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.

3. Dilip Patade

According to him. farmer members, despite their small and marginal holdings, are able to access international market for their produce. Price paid for grape by the company is higher compared to other exporters, he said. There is transparency in the trading activities of the company. Moreover, due to collective operation, there is reduction in transaction costs, he said.

4. Somnath Patil

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 are made timely by the Sahyadri Farmer Producer Company Ltd.

Perceptions of Consumers

1. 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.

- Arya, Shah Heights, Kharghar

2. 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 patron from Kendriya Vihar, Kharghar

3. The veggies are fresh, specially the leafy ones and they even last over a week while the ones we buy from others have to be used up immediately. I am loving all the products from Sahyadri Farms.

- A regular patron, Kendriya Vihar, Kharghar

Chapter-6

Secrets of Success

Interaction with the CEO, managers and farmers members of the Company revealed following unique aspects about FPC, Sahyadri Farmer Producer Company (SFPC). These are perhaps the secrets behind the success of the Organization.

- 1) **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.
- 2) **Winning the loyalty of the Farmer- Members** – 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.
- 3) **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.
- 4) **Professionalism** – 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.

- 5) ***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.
- 6) ***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.
- 7) ***Non-bureaucratic style of functioning*** – Though the organization has a hierarchy, the communication amongst functionaries work 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.
- 8) ***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.
- 9) ***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.
- 10) ***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.

- 11) **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.
- 12) **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.
- 13) **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.
- 14) **Commitment of Employees** – Employees consider the activities and objectives of the company as a movement. This speaks volumes about the level of motivation of the employees.

Conclusion

The Sahyadri Farmer Producer Company has established itself in less than a decade time and has become a leading exporter of grapes from India. It has emerged as a successful model for management and operation of a Farmers producer company in Indian agricultural environment. A lot may be learnt from the success of the Company. 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. It is the leader only who can motivate the team and encourage farmers to come along for establishing a successful partnership. 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’.

PICTORIAL GLIMPSES
TEAM- SAHYADRI FARMER PRODUCER COMPANY LIMITED



Chairman addressing Farmer's Meet



Interactive session between farmers & Agronomists



Discussion with Farmers on FPO Model



Session on Good Agricultural Practices



Agri Inputs Retail Outlet at our Factory

