

Krishhi

SUTRA 2



SUCCESS STORIES OF
FARMER PRODUCER ORGANISATIONS

Krishi Sutra 2

Success stories of
FARMER PRODUCER ORGANISATIONS

शरद पवार
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सत्यमेव जयते

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भारत सरकार
MINISTER OF AGRICULTURE &
FOOD PROCESSING INDUSTRIES
GOVERNMENT OF INDIA

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MESSAGE

Krishi Sutra 2 is focused on success stories of FPO's which have emerged as an important platform to provide voice and bargaining power to farmers. The launch of this publication at the very outset of 2014, which has been declared as the "Year of Farmer Producer Organizations" by the Ministry of Agriculture, is indeed timely.

The inspiring stories in this collection serve as a reminder that seemingly impossible goals can be achieved through collective action. Our farmers have given food security to this country but have often been deprived of a fair value for their produce. The efforts of the Ministry of Agriculture during the XII Plan are, therefore, being focused on strengthening the bargaining power of farmers by mobilizing thousands of FPOs across the country and creating linkages with investments, services and markets.

I compliment SFAC on this effort and hope that they will maintain the momentum of supporting FPOs across the length and breadth of the country.

(Sharad Pawar)

ASHISH BAHUGUNA
SECRETARY



भारत सरकार
कृषि विभाग
कृषि एवं सहकारी विभाग
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation

MESSAGE

The first compilation of innovations in agriculture was brought out by SFAC under the Krishi Sutra series almost two years ago. I am happy to note that SFAC have followed up with a second publication in this series, which is focused on success stories of farmer collectives. FPOs have contributed significantly in enhancing farmer incomes wherever they have been backed by strong support systems. The stories in this compilation attest to the fact that given adequate support, FPOs can engage meaningfully at every stage of the agricultural value chain.

This publication heralds the beginning of the "Year of Farmer Producer Organizations" in 2014, and is expected to set the tone for similar initiatives during the course of the next few months. I hope SFAC would continue their efforts to convince State Governments, private sector companies, financial institutions as well as the farming community at large of the importance of building member-based farmer organizations and supporting them with credit, services and market linkage to ensure sustainability and viability of farming operations.

A handwritten signature in black ink, appearing to be 'Ashish Bahuguna'.

(Ashish Bahuguna)

Date: December 13, 2013





Introduction

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 market place, reduce risks and help them move up the agri value chain.

With the increasing emphasis on FPO at the Central and State level, questions are being raised about the viability and sustainability of these institutions in the long run and their ability to promote interests of their members. In the context of 2014 being declared as "Year of Farmer Producer Organizations (FPOs)" by the Ministry of Agriculture, Government of India, greater attention is likely to be given to these emerging bodies. Any case for enhanced allocation of public and private resources to promote FPOs must be based on solid evidence, which illustrates the benefits of aggregation of farmers into institutions for increased access to income, investments and market opportunities.

This compilation of brief case studies of successful examples of collective action by farmers, working through organized institutions is a attempt to provide such evidence. While most of the successes are modest in nature, they are pointers to the immense potential of FPOs to integrate producers in the value chain. As the number of FPOs across the country rapidly increases, these success stories will perhaps serve as a source of inspiration and signposts of the direction in which the farming community is moving.

We also hope that the publication of these stories will generate interest in FPOs among a diverse range of stakeholders including policy makers, financial institutions, private sector entities and the media.

IN THE CONTEXT OF
2014 BEING DECLARED
AS "YEAR OF
FARMER PRODUCER
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(FPOS)" BY THE
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1.

Developing Climate Resilience In Karnataka

Name of Farmer Producer Organisation (FPO):
Krishikabandhu Farmer Producer Company Ltd.

Supporting Resource Institution (RI):
Vrutti Livelihood Resource Centre

THE GULBARGA DISTRICT in northern Karnataka has the unique distinction of being known as the ‘tur bowl’ of the state. But even though 330,000 hectares of land is put under tur, or red gram, cultivation and production every year, the yield from this crop is abysmally low. A primary reason for this is the traditional method in which it is cultivated, which exposes the crop to drought, erratic rainfall and pest attacks. It is because of this that the tur farmers don’t get returns that are commensurate with their investments in the crop.

The traditional method of growing red gram involves a process called “dibbling”, in which the seeds are sown in a straight line while ploughing the land. Unfortunately, not much attention is given to the spacing between the seeds sown, and fertilizers are also indiscriminately sprayed. Because of these, any delay in rains directly affects the yield of the crop, while simultaneously increasing the risk of a pest attack.

Taking cognizance of these problems, a new technology was developed with the aim to significantly improve the yield of the crop. Under this new method, farmers first set up a separate nursery and grow red gram saplings, which are then transferred onto the field – in a scientifically measured fashion. For instance, while planting the saplings the farmers would need to ensure a 5 feet distance between each row of the saplings, and a minimum of 2 feet distance between the saplings themselves. This spacing allows them to sow an intercrop of maize or marigold.

Vrutti Livelihood Resource Centre – with support from the Krishi Vigyan Kendra (KVK) and the Agricultural Department, Karnataka and financial backing from the Small Farmers Agri-Business Consortium (SFAC) – demonstrated this new red gram transplanting method to the farmers of Gulbarga. This new technology has



» Nursery Raising



» Transplanted field

immensely benefited the farmers, and its introduction has helped reduce input cost, increase crop yield and mitigate the potential risk of crop loss due to late rainfalls.

A case in point is that of Malikarjun Patil – a progressive farmer from Gulbarga – who is a beneficiary of this new technology. The farmer from Kinnisultan village, Aland taluk, was approached by the Vrutti field staff, who introduced him to the sapling method. Initially, he tried this technique of red gram cultivation on 1 of the 10 acres of land that he owns. Commenting on the return-on-investment factor of this experiment, Patil says, “in the traditional method, I would spend Rs. 10,420 per acre on the inputs in one season, on which I would get a yield of 4 quintals. After selling this at Rs. 4,000 per quintal, I would earn a total of Rs. 16,000 from the product. In addition, I also grew green gram as (an) intercrop and this earned me Rs. 3,000 (more). My net profit from 1 acre of land was, thus, Rs. 8,760”.

Though there is an additional cost of setting up of the nurseries (to grow the saplings) in the new method, but that is entirely offset by the increase in yield, and lowered costs of seeds and chemical sprays used. To illustrate this point, another farmer, like Patil, talks about his successful experience with the new technology. He says, “The input cost in transplantation method was Rs. 10,260 per acre – not different from the traditional methods we used. However, the big difference was in the yield. I was able to produce 7 quintals of red gram with the new method, for which I earned Rs. 28,000. And with an additional Rs. 4,000 income from maize intercrop, I was able to make a net profit of Rs. 21,240 per acre, which is more than double the income from the traditional method.”

The viability of this new method is reflected in the success stories of Mallikarjun and many other farmers – members of Farmers Interest Groups and Farmer Producer Organization – who have adopted these practices. They say that even with little rainfall during the early stages of the growth of the crop, the plants are able to withstand dry conditions because they begin sprouting in the nurturing environment of nurseries. Because of this, farmers can now wait out the rain-less months without any fear of loss. Moreover, they are also able to get more



» Installation of pheromone trap for pest monitoring



» Transplanted - Nipping has been done



» Fully grown Red Gram plants

branches and flowers compared to the traditional method. Such is the impact of this new technology that they are planning to double the area of production by next year. This initiative is also replicable in other red gram-growing areas, which are vulnerable to drought and erratic rainfall. A scale-up of this initiative in the Gulbarga district has been facilitated by demonstrating the systematic training of the farmers in this process, and the results because of it.



Location/Address of FPO: Krishikabandhu Farmer Producer Company Ltd, Village: Kinnisultan, Taluka Aland, District: Gulbarga, Karnataka. Phone: Baburao Patil- 09740621115.

Contact Details of RI: Vrutti Livelihood Resource Centre, No. 19, 1st Main, 1st Cross, RMV 2nd Stage, Ashwathnagar, Bengaluru, Karnataka - 560094. Phone: 080-23419616, 23517241. Email: bala@vrutti.org | Website: www.vrutti.org.



SFAC
लघु कृषक
कृषि व्यापार संघ



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