



Rejuvenating Lives

Chronicles of agricultural transformation on the fields of small and marginal farmers

ASA Promoted FPOs - Building on the Collective Strength of Small and Marginal Farmers to Surmount Agri Challenges

Benefits

Farmers uniting under the banner of an FPO bring different positive outcomes for them such as leveraging their collective strength and bargaining power to access financial and non-financial inputs and services and technologies. Other benefits encompass a reduction in transaction costs, tapping high-value markets, achieving scale by aggregating produce, access to better information on market prices, economically priced inputs and better management of the produce, which perseveres its value and insulate against price fluctuation. Besides, the FPOs lead to the increased capacity building initiatives of the small farmers and forging partnerships with private and public entities on more equitable terms. The FPOs magnify the voices of farmers as collective voice based on their enhanced social capital. The model of aggregation of small farmers opens greater access to government schemes in the area of rural development.

Introduction

Today, the small and marginal farmers make up the bulk of the Indian agriculturists, who are confronted with an array of challenges such as low yields, traditional farming techniques, lack of credit, a paucity of quality and affordable inputs, lack of direct market linkages and high dependency on middlemen. This impedes the majority of farmers in realizing the optimal value of their produce. One of the early acknowledgers of these concerns of small landholders in the country, Action of Social Advancement (ASA) has been working on collectivizing small farmers in the form of Farmer Producer Organizations (FPOs) to link them with the supply chain of their primary produce across States of Madhya Pradesh, Chhattisgarh and Jharkhand.

The Specifics

ASA is the leading organization in the country to usher in the concept of FPOs in 2005 when it initiated efforts to link small farmers to the value chain in agriculture. Under the FPO model around 1500-2000 small farmers are grouped and registered under the Producer Companies Act. Today, the FPOs have emerged as an effective mechanism in reducing the risks associated with agriculture and consolidating the livelihoods of small farmers. Under ASA's operations, an FPO is an association of different small groups of farmers put together by the ASA, which include members from self-help groups, farmer interest groups, livelihood groups, farmers' club, water users' groups, responsible crop producer's groups and so on. So far, ASA has successfully linked its promoted and supported FPOs with established brands like Biore India Ltd, Carrefour and Welspun for organic cotton. ASA has also developed linkages for special agri-produce such as scented paddy, minor millets, organic pulses, fetching farmers a handsome price for these products. Farmer-friendly agreements have been facilitated with ASA and have ensured insulating farmers from losses owing to unpredictable weather events.

Figures at a Glance-

*As on 31st March 2020



37 FPOs
developed



53049 farmers
collectivized

ASA has further shored up its focus on FPOs by establishing “Centre for Incubation and Support for Smallholder Producer Organizations” (CISSPO) in 2017-18. It is a formal body that works with FPOs to consolidate their value chain, create a conducive environment for them to prosper, ensure food security and diversify produce for de-risking the producers. Based at Bhopal, CISSPO’s work spans FPOs in Madhya Pradesh, Chhattisgarh, and Jharkhand.



Reaping the Gains through Collaborative Efforts

A leading FPO developed by ASA in the eastern Madhya Pradesh region is “Mandla Tribal Farmers Producer Company Limited” in Mandla district, which was registered in 2012. The FPO started with 10 Board of Directors (BoD) has today grown to have 24 BoDs. The modus operandi of the FPO is such that 30 percent of the BoDs are retained to draw on their experience and 70 percent new members are elected every year so that different member farmers are given a chance to lead the organization and ensure that the FPO’s agenda has wide acceptance. The company today has 1800 members from 36 villages in the district and clocks an annual turnover of INR 1,20,00,000/- providing inputs and market linkage for various produces. As part of the business expansion and in-situ value addition, the Organization has installed a dal mill with a capacity of processing 10 quintals of dal per hour recently. The FPO intends to supply produce to the government run schools for mid day meals. The FPO also plans to start vegetable seed production. The structure of the FPO includes a buying and selling committee and a vigilance committee to guard against any malpractices.

Saved Effort and Timely Inputs

“The biggest benefit of the FPO for me is that I don’t have to stand in a long queue for procuring inputs from government operated centers, thus sparing me of unnecessary effort and wastage of time. Moreover, I get timely access to quality inputs at an economical price”, Anita Jharia, Lingamal village.

Eliminating Middle men & Better Price

“We don’t have to rely on middle men any more with the presence of the FPO, who would offer a very low price for my harvest. I am also assured that my produce is weighed properly by the FPO, unlike the middle-men who would under weigh my output. The FPO has helped me in the sale of paddy and wheat at a premium, which has majorly boosted my income,” Shankari Sarate, Mohaniya Patpara village.



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Enhancing Farming Knowledge

"The FPO has enriched my farming knowledge and skills by disseminating improved modern agricultural techniques such as line sowing method which has enhanced the paddy production from 12 quintals per acre to 24 quintals per acre. This has brought me much higher returns" Brajrani Jhajariya, Lingamal village.

Crop Diversity

"The guidance and encouragement from the FPO has enabled me to expand my crop basket by taking up chickpeas (chana) and red lentils (masoor dal) cultivation besides improving the production of my vital crops such as paddy and wheat through better techniques, which fetches me better income," Gjanvati Sarate, Mohaniya Patpara village.

Farmers Friendly FPO Policies

ASA has been a leading contributor in policy influencing and formulation related to the FPOs at the central and state level. The efforts in the past encompass contribution in development of FPO guidelines of 2013 issued by the Government of India, NABARD's FPO guidelines and FPO policy in several states. Currently, ASA is helming a group of leading experts invited by the Government of India's Small Farmers Agribusiness Consortium (SFAC) for an overhaul of the FPO guidelines and developing Common National Guidelines.

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