

Success Story of Rishiwat Farmers Producer Company Ltd: Empowering Small and Marginal Farmers

S.K. Deshmukh ¹

Abstract

Small and Marginal farmers do not have the economic strength to adopt production technologies, services, and marketing including value addition. The formation of a Farmer Producer Company (FPC) will enable farmers to have collective strength for better access to quality input, technology, credit, better marketing access and enhance bargaining power. This is a case study of Rishiwat Farmers Producers Company Ltd (RFPCL). This case presents the rationale behind establishing RFPCL, challenges faced by farmers and efforts by RFPCL in overcoming these their initiatives, impact and sustainability plan.

Keywords: Farmer Producer Company, Small Farmers, Marginal Farmers

Introduction

Krishi Vigyan Kendra (KVK), Karda (Washim) is a frontline extension model, at the district level, established in 1994-95, which is designed and developed by ICAR, New Delhi. The KVK aims at assessment of location specific technology models in agriculture and allied enterprises through need-based training, on-farm trials and demonstrations. For implementation of its mandatory activities and sponsored programmes, the KVK mainly works in a cluster approach in its adopted villages through the formation of Technology Transfer Clubs (TTCs) funded by NABARD.

In 2011-12, for the next three year period, NABARD sanctioned a Pilot project for - Augmenting Productivity of Lead Crops/Activities through the adoption of sustainable agricultural practices in five adopted villages covering 2000 farm families and an area of 6071 ha. One of the important

¹ SMS, Extension Education and Resource Person, POPI, KVK Washim, Maharashtra
Corresponding Author E-mail : sms.skdeshmukh@gmail.com

activities of this project was that all the beneficiary farmers should be a part of farmers' groups.

Immediately after the successful completion of the Lead Crop Project, in the year 2015, NABARD sanctioned another project to the KVK on Promotion of Farmer Producer Companies (FPCs) for a three year period. The Lead crop project has shown encouraging results and more than 750 farmers have been mobilized into village-level Farmers Interest Groups (FIGs), which have been federated and accommodated as shareholders in Rishiwat Farmer Producers Company Ltd. in 2016. Seed production, processing and marketing are major core activities of RFPCL in the selected cluster under this NABARD project.

Initially, as per deliverables on a specified timeline, the KVK conducted an awareness program and mobilized farmers' in the identified cluster. This was followed by registration, business plan preparation and capacity building of all stakeholders.

Convergence Activity

Soon after the completion of eligible activities, the establishment of a Seed processing plant of 4 TPH capacity was sanctioned by the Agriculture Department under NFSM and a Turmeric Processing unit was sanctioned under ATMA-MACP Project. To store the seed FPC constructed a warehouse of 10000 metric tonnes capacity under POCRA Project.

Rationale behind RFPCL

1. Washim district is among " Aspirational districts" in Maharashtra identified by NITI, Aayog.
2. The District is predominantly agricultural. Out of the total rural population of 9.85 lakhs around 3.85 lakhs are having agriculture as the main activity.
3. Out of the total land holding, 22 per cent is accounted by Marginal and 37 per cent by Small farmers.

4. Small and Marginal farmers do not have the economic strength to adopt production technologies, services, and marketing including value addition.
5. Therefore formation of FPC by farmers will have better collective strength for better access to quality input, technology, credit, and better marketing access.
6. FPC also enhances bargaining power and farm related value accruals.

Major challenges/problems faced by the farmers

- 1) Non-availability of quality seed of improved varieties has been the major constraint in the district.
- 2) The crop is almost rain-fed, therefore influenced by the vagaries of the monsoon.
- 3) Lack of technical know-how.
- 4) Lack of adoption of improved technology.
- 5) Lack of timely availability of appropriate quantity and quality of agriculture inputs.
- 6) Lack of access to extension services as well as markets
- 7) Farmers have limited capability to autonomously invest in processing, storage and custom hiring facilities.

Efforts of RFPCL

To overcome the above problems, Rishiwat Farmers Producer Company Ltd has been undertaking seed production of major crops and equipping their shareholders to become certified seed producers. Growing certified improved seed is a profitable business enterprise for RFPCL.

Table 1. Seed Production Activity of Rishiwat FPO

Crops	Year per Qtl.				No. of farmers	Villages Covered
	2017-18	2018-19	2019-20	2020-21		
Soyabean	550	470	1500	2500	850	75
Black gram	00	00	40.00	50.00	15	05
Green gram	00	00	25.00	30.00	10	05
Pigeon pea	00	00	71.00	100	25	10
Chickpea	300	430	943	1200	525	45
Wheat	00	00	00	3000	215	35
Total	850	900	2579	6880	1640	175

Table 2. Business turnover and profit earned by RFPCL

S.No	Year	Turnover (lakhs)	Profit earned (Rs)
1	2016-17	21.00/-	-1700/- (loss)
2	2017-18	39.00/-	+436400/- (Profit) and ITR paid is 124500/-
3	2018-19	79.53/-	1552634/- (Profit) and ITR paid 252390/-
4	2019-20	126.00 /-	61.50 lakhs (Profit)

Working Capital and Business activity

To improve availability of working capital and development of business activities, the Bank of Baroda, (BOB) Washim branch has sanctioned Rs.1.0 Crore as a Cash Credit limit to RFPCL.

Table 3. Statement showing income of FPO members

Farmers base of FPO	Share Holders of RFPCL (Rs/Yr.)	RFPCL Annual Turnover	Increased average additional annual income per acre of certified seed growers from seed production	
			Before FPO membership	After FPO membership
1825	1191	75 Lakhs*	2700/-	4800/-

• Includes income from turmeric processing, soil testing and sale of critical inputs.

Profit sharing - Fifty per cent of the profit goes to the farmer while 10 per cent was utilized for the operational cost of the FPO and 40 per cent for quality improvement and infrastructure development of the FPO.

Advantages of Rishiwat FPO initiatives

1. Small and Marginal farmers have no option other than to come together. For these farmers Rishiwat FPO has provided a base of seed production.
2. Apart from the business activity, Rishiwat FPO has trained more than 3000 farmers on good agricultural practices for the last four years.
3. Shareholder seed producers can produce enough seed for their own consumption and sell the seed to other farmers to meet their expenses.
4. Seed production has helped growers to have access to new varieties by replacing old varieties resulting in increasing Seed Replacement Ratio (SRR)
5. Growing certified seed is a profitable enterprise that fetches 10 per cent additional price than the MSP of the major crops.

6. RFPCL has made a vast quantity of seed available in neighbouring areas and to farmers who are far away.
7. To meet the seed demand of farmers during lockdown, RFPCL dropped a seed bag at farmers' door step and reached farmers with the seed in time for planting.
8. RFPCL has made available other critical agricultural inputs and soil testing services to the farmers.
9. FPO is gaining support and confidence from farmers which is reflected in its membership.
10. Supported to do direct marketing at the door step of the farmers.

Impact

1. Witnessing Rishiwat FPO as an emerging successful establishment, farmers from ISAP NGO and DDM NABARD Jalna organized study tour cum exposure visits to this FPO to study the functioning and activities performed, for business development in other districts
2. The Success story of Rishiwat FPO is under publication by NABARD Regional Office Pune
3. DDM NABARD has assigned the FPO for organizing awareness and contact campaign for effective utilization of water in the village cluster of FPO.
4. Training and Capacity building programmes have created awareness for adoption of new crop production technologies recommended by the State Agricultural University (SAU).
5. FPO has made efforts to supply critical inputs like Bio-fertilizer, Trichoderma, Vermicompost, Vermi Wash, Azolla Culture, Soil Testing, Fertilizers, Planting Material and Seed of newly released varieties.

6. Mono-Cropping of only one ruling JS-335 Soyabean variety resulted in more susceptibility to pests and diseases, resulting in yield reduction up to 35 per cent. FPC every year are introducing seed production of high yielding, short-duration varieties of soybean and other crops. Due to the efforts of the FPC, the Seed Replacement Ratio has risen up to 35 per cent in the Washim district.
7. Because of the FPC, timely supply of quality seed, critical inputs like Trichoderma, bio-fertilizers etc were made available to non-member farmers also.
8. Based on the performance of two FPOs under the PRODUCE fund, NABARD has extended financial assistance for promotion of five FPCs under PODF-ID fund.

Sustainability Plan

1. Due to the progress of the FPC, non-member farmers from operational villages are becoming shareholders of the FPC.
2. Rishiwat FPC has a 4.00 TPH capacity seed processing plant and the unit takes a maximum of four months to process all the seed. For the balance period the FPC under convergence has established a Turmeric Processing Plant to work in this lean period which is an earning to FPC.
3. Dried turmeric rhizomes are processed and turmeric powder is sold to retailers and super shoppe and marketing outlets. There is direct marketing from KVK Swamini Stall and Bramhaputra Mahila Bachat Gat.
4. The FPO supplies Turmeric Powder to NABARD Rural Mart, Karanja for sale to the consumer.

5. Direct Marketing Licence for bulk purchase of farm inputs and delivery at the door step of farmers.
6. A Plan to set up an Agri Mall at the tehsil is under consideration.
7. Based on the modifications/relaxations of different Ministries to enable FPCs to conveniently avail assistance of SFAC, MoFPI, MSME, NHB, APEDA scheme, FPC will take initiatives.