



Shri Kuraon Farmer Producer Company Limited managed to sell other agricultural produce despite drought in the region

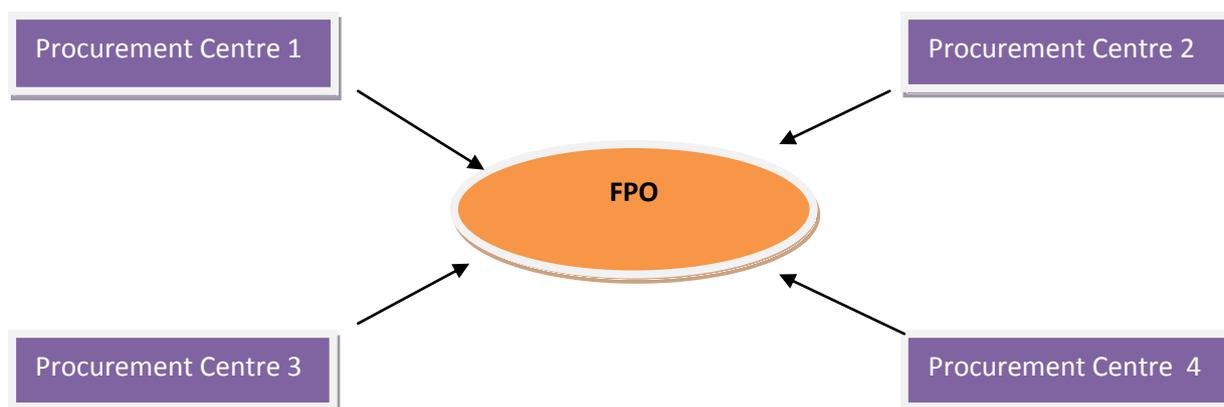
Paddy produced by farmers in Kuraon block in Allahabad is well known for its quality in UP. But the farmers face difficulty in marketing paddy. Several middlemen are engaged in purchasing paddy from farmers' doorsteps at a price decided by the middlemen. There is hardly any direct linkage between the farmers and the mandi or the rice millers. These middlemen after buying paddy from the growers sell them either in mandi or to big rice millers which are 110 in numbers. Shri Kuraon Farmer Producer Company Limited owned by small and marginal farmers started aggregation of paddy from farmers. The company decided to sell farmers' paddy in mandis and to rice millers directly.

Initially to reduce the risk involved in the process, the BODs decided to explore the buyers and succeeded in getting some order for paddy from a few rice millers. FPO then bought paddy of the growers in small quantities and supplied to the rice millers. A total of 120 quintals of paddy was bought from 47 shareholders and sold to the rice millers initially.

Procurement of paddy from farmers' doorstep

The company decided to procure paddy directly from the growers' house. For the purpose, the FPO established a total of four temporary procurement/collection centers.

One of the directors of the company visits the procurement centre during the procurement time to ensure the procurement process. Apart from the director, the CEO and the marketing manager of the FPO also manage the operations of the procurement of paddy. FPO bought jute bags to carry the paddy. Traditionally, the growers bring their produce in their own jute bags which cost around Rs22 (50 kgs) to the growers.



The FPO has procured paddy worth Rs1.74 lakhs during the month of February 2017. The FPO paid Rs1 400 per quintal to farmers as against Rs1 380 per quintal paid by other buyers in addition to buying the produce from farmers' doorstep without gunny bags– thus an additional benefit of about Rs64 per quintal. The FPO sold paddy for Rs1 450 per quintal to

the rice millers. Other benefits to farmers included saving in time to visit mandi and correct weighing of farmers' produce.

Future Plan

The FPO is in the process of obtaining mandi license for selling various agricultural produce from its wholesale counter at Lediaryi mandi, Kuraon. The FPO with this counter will be able to sell produce directly to the bulk buyers from other districts who visit this mandi. In addition to paddy, the FPO plans to procure wheat and other commodities in the coming seasons. The FPO is in discussion with Food Corporation of India (FCI) to sell the paddy and other agri produce directly to FCI. FCI currently procures paddy and other agri produce from farmers directly but the FPO is making effort to convince FCI to buy produce also from farmers' FPOs.

Picture1

Procurement of paddy at Kihuni village

