

Connect

NORTH EAST AGRIBUSINESS CONCLAVE

GUWAHATI, WEDNESDAY, DECEMBER 13, 2017



Left - Shri Sumanta Chaudhuri, IAS, MD SFAC, Middle- Shri V. K. Pipersenia, IAS, Chief Secretary, Govt. of Assam, Right - Shri Amlan Baruah, IAS, Secretary, DAC & H, Govt. of Assam at Northeast Agribusiness conclave held in Guwahati on Dec 13, 2017.

The convergence of small and marginal farmers into a Farmer Producer Organisation (FPO) has emerged as the most effective measure to counter productivity and market related issues. The formation of an FPO enhances the production and marketing capabilities of farmers. SFAC establishes a strong link between FPOs, input suppliers, tech-

nology providers, research agencies, marketing and processors in public and private sectors. SFAC focuses on all sectors of farming and agriculture and provides end-to-end services. The organisation has launched several schemes such as the Equity Grant Scheme, Credit Guarantee Fund and Venture Capital Assistance Schemes to further strengthen Farmer Producer Companies (FPCs) in the country. It also organises awareness camps for FPCs/FPOs and other stakeholders for knowledge sharing and guidance

to farmers. SFAC also recently organised the North East Agribusiness Conclave which focussed on the capacity building of FPOs in the region. To further strengthen FPOs financially, the loans provided by the banks in these regions will be increased by a significant margin.

FROM THE DESK OF THE MANAGING DIRECTOR



Sumanta Chaudhuri

This issue of quarterly Newsletter, CONNECT, focuses on SFAC's targeted approach regionally for promoting the right ecosystem for FPO and its long term sustainability. In this direction, the first target was the North Eastern Region wherein Northern Eastern Agribusiness Conclave was

organized on 13 th December, 2017 at Guwahati, for the benefit of FPOs, Corporate Sector, Banks, State, Resource Institutions and academicians etc.

The special challenges of this region in terms of difficult terrain and inadequate logistic support which have affected the formation and development of FPOs were sought to be addressed. Some unique products produced by such FPOs like Kiwi Wine, Organic Spices, Special Teas were displayed for forging required market linkages. The lack of credit facilities in this region from organized financial system were jointly sought to be overcome with the banking institutions.

The Venture Capital Assistance Scheme implemented by SFAC has the potential of triggering private investment and employment in rural areas along with backward linkages for farmers. Establishment of Cold Storage units has been one of the most popular VCA Schemes and its impact has been studied by NABCONS. Results are extremely encouraging. Similar studies would be undertaken for other Sectors both for impact assessment and further integration with other initiatives in the sector.

Another similar event, Maharashtra Agribusiness Conclave in February, 2018 at Pune, Maharashtra had a different focus in addressing the challenges of FPOs in the region. The event highlighted the linkages of retail chains in sourcing their requirement from FPOs and business to business meetings between FPOs and retail sector was organized in the backdrop of presentation of the Union Budget where the FPCs with turnover up to Rs.100.00 crores were given tax holiday for 5 years similar to facility available to cooperatives under Section 80(p) of Income Tax Act. Bank of Baroda was conferred the status of preferred bank for financing FPCs by them including against guarantee of SFAC under its Credit Guarantee Scheme.

RDFCL Success story

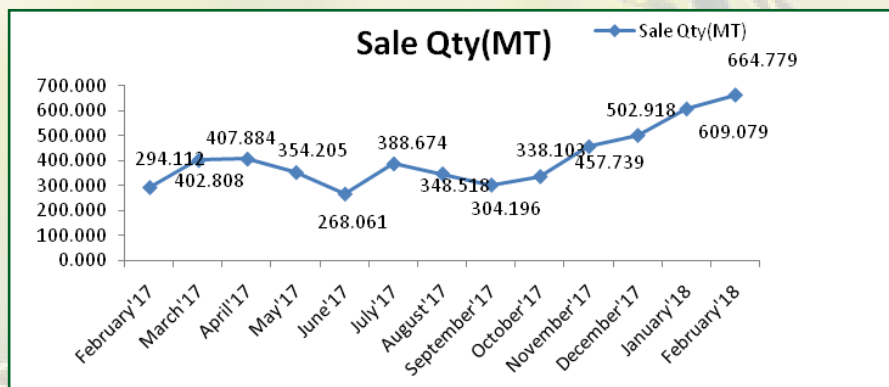
Raja Desingh Farmers Producer Company Ltd located in Viluppuram Tamil Nadu was registered under Companies Act on 14th September 2015 with 1000 farmers. Traditionally the small and marginal farmers were earlier cultivating black gram, green gram in their small holdings.

They have now started getting the benefit of collectivization into Farmer Producer Company. These farmers are getting loans from FPC besides the store established meets the daily requirements of inputs supply at nominal price. the FPC has also set up pulse processing unit with turnover of 2500 tonnes.

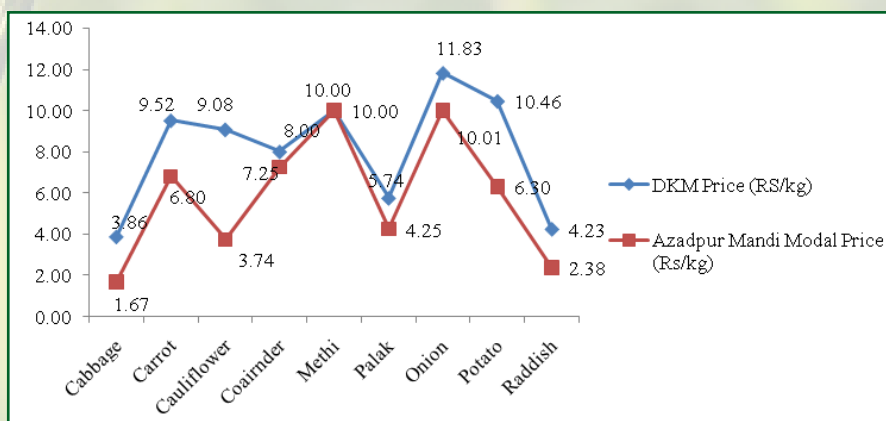
It's another venture in establishing clinics with CABI PLANTWISE in the area has made possible the identification of pest and diseases infestation and application of optimum and right pesticide at right time. This has brought not only the cost of production but also the growth in input supply business of the FPC. The equity grant of Rs. 5 Lakhs provided by SFAC has helped them in becoming a model in the region to other small and marginal farmers to emulate and realise the benefit of collectivization.

Delhi Kisan Mandi

SFAC has provided a virtual platform in Delhi in the form of a Delhi Kisan Mandi where various FPOs/Grower Associations can bring fresh produce, such as fruits and vegetables, for direct wholesale supply to bulk buyers, processors, exporters, traders, organized retailers, RWAs, the general public and other entity. The platform provides market linkages to FPOs / farmers for better price discovery. The growth in the quantity sold through Kisan Mandi throughout the year is as under:



Delhi Kisan Mandi operations has brought about benchmarking in sorting, grading at farm levels. Buyers are willing to give a premium for such fresh produce to be supplied consistently at such a scale. Most of the sellers have moved away from supplying to middlemen and intermediaries and prefer to directly connect with retail and consumer markets. Through Delhi Kisan Mandi FPOs are getting better prices of their produce. This can be clearly seen from the graph wherein the prices received through Delhi Kisan Mandi is compared with the prices of Azadpur Mandi modal price in the month of March'18:



Success story of M/S M K FOODS, NAGPUR, MAHARASHTRA

M K Foods is a partnership firm established by the promoters in the year 2015 in district Nagpur in the state of Maharashtra with their vision to grow and provide quality wheat flour to society. The total cost of project was Rs. 421.70 lakh. The installed capacity is 50 tons per day. The Financial requirements of the project were met by Panjab National Bank. The commercial production has commenced in July 2017. The unit has provided employment to 38 persons and backward linkages of more than 20 farmers are established. The unit has met all its estimates in the first year of operations.

The firm got assistance of Rs.41.60 lakh from the SFAC in the month of June, 2017 after which scenario of the firm changed drastically. Soft loan from SFAC not only helped firm in upgrading technology of capital assets but also helped in reducing working capital gap. It has improved the firms purchasing power as well as production capacity of unit due to ample funds.

The Investment Committee sanctioned record number of cases for Venture Capital Assistance during Jan-March 2018 :-

Investment Committee Meeting Details (Rs.in Crore)		
Date	Number of Cases	Amount
08-01-2018	115*	29.16
31-01-2018	52	14.77
22-03-2018	89	26.63
28-03-2018	32	7.16
Total	288	77.72
Total during the year 2017-18	460	128.48
(* Including 3 Higher Venture Capital Assistance amount to Rs.3.16 crore)		

Success Story RAMESHWAR FPCL, VARANASI

Rameshwar Farmer Producer Company Limited, Varanasi in Uttar Pradesh is incorporated on 9.3.2015 under Companies Act 1956. There are 460 farmers as share holders in the company. The FPC is promoted by SFAC under VIUC (Vegetable Initiative for Urban Clusters) scheme. Recognising their activities and member participation, SFAC has sanctioned Equity Grant of Rs.4,60,000 for furthering its Agribusiness and related activities. The FPC wholesale outlet at Rajatalab Mandi, Varanasi has achieved the following:

1. Facilitated the sale of Farmers' vegetable produce directly and eliminated local middlemen/local mandi or wholesalers at big mandis.
2. The member farmers of FPC pay a commission of just 3% as against 6% charged by wholesalers. Non member farmers also benefited as they pay only 5% as commission.
3. Major Vegetables supplied are Cabbage, Cauliflower, Radish, Pea, Brinjal, Tomato, Cucumber, Bottle Gourd, Ladyfinger and other seasonal vegetables.
4. Operations managed through appointment of Counter Sales Executive and a supporting staff.
5. Electronic weighing machines has removed the common practice of under weighing of produce to the extent of 2-5% by other wholesalers in mandi who use traditional manual weighing system.
6. Reduction in transport cost to farmers by 20% as common vehicle facility is used for transportation of vegetables to counter from the villages and it is managed by only one farmer member.
7. The average value of vegetables sold is Rs 6500 per day with 15-20 quintal of vegetables.

An Initiative by SFAC- Study of Cold Storages Assisted under VCA

This study of cold storages, assisted under the VCA Scheme of SFAC, was undertaken with a view to evaluating the performance of the Scheme, during the XII Plan Period (2012-2017). The study covered 5 districts selected from three States viz. Agra and Hathras in Uttar Pradesh, Sangli and Nasik in Maharashtra and Banaskanth in Gujarat. It entailed evaluation of project under cold storage scheme and assessment of the performance of the scheme at various levels as well as evaluation of the roles of stakeholders of the project, the constraints encountered by them and to also suggest on the potential for further financing on such projects in these 5 districts.

Physical and financial performance of the scheme:

426 Cold Storage projects were extended Venture Capital Assistance to an extent of Rs.162.20 crore as on 31/03/2017. Around 80% projects were sanctioned during XII FYP period. The average Venture Capital Assistance was Rs.38.07 lakh with minimum assistance of Rs.2.5 lakh sanctioned for a unit in Pune, Maharashtra, while a maximum of Rs.300.00 lakh extended for a unit in Solan, Himachal Pradesh. Among states, maximum projects (38.03%) were sanctioned in the state of Uttar Pradesh, followed by Maharashtra (18.54%), Gujarat (15.73%) and Haryana (7.04%). Bank-wise distribution of projects indicates that, 22 commercial banks & 04 other banks have sanctioned projects under VCA Scheme. Maximum number of projects were sanctioned by Bank of India (50), followed by Canara Bank (50) and Punjab National Bank (48).

Impact of the scheme

i. Benefits to the users of the cold storages: The study indicates that because of the operation of cold storage units assisted under VCA, on an average, 360 farmers and 3 traders get benefitted per unit. Average catchment area for procurement of raw material for these sample cold storage was estimated to be 984 acres.

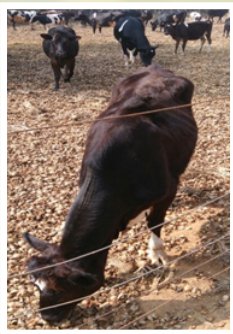
ii. Price increased for products handled in cold storage: Under captive model, the promoters realized an increase of 166.3% in the farm gate price of grapes after an average storage period of 45 days. Under rental model, the average price of grapes increased by 65% in Nasik and 53% in Sangli. In case of potatoes, the average increase in price after storing in cold was 54% and average price increment in case of raisin was 22%.

iii. Employment generation: The average number of permanent employment generated in the sample district ranged from 5 in Banaskantha to 15 in Nasik. In addition, an average of 33 laborers got employment of 101 days in a year by each of the cold chain units for various activities such as loading, unloading, grading and sorting etc. An average of 2 indirect employments is generated per cold storage through general stores, groceries store, hawkers etc. and 100-150 annually through logistic service providers.

Krishi Pariwar Producer Company Limited - Sirsi, Karnataka

Krishi Pariwar Producer Company Limited, Sirsi, Karnataka is registered under Companies Act on 8th Jan 2016. The FPC has a special story in mobilisation of small and marginal farmers. It was by an initiative of culturally active NGO Nadasarwati that during their recreational pursuit felt motivated to mobilise small farmers in their region who were financially poor. Their sustained efforts led to formation of Krishi Pariwar Producer Company Limited in the fertile and culturally rich region of Western Ghats with 7 Directors on Board. The company has 1000 small farmers as its share holders.

The company is into Dairy Project with focus on processing milk, cow dung and Gomutra collected from farmers. Their moto is to supply best quality organic milk to the consumers. SFAC has sanctioned Equity Grant of Rs 10 Lakhs to the FPC to strengthen their dairy venture for the benefit of small and marginal farmers.



Pictures of Krishi Pariwar Producer Company Ltd

SFAC Holds NE Agribusiness Conclave in Guwahati

SFAC organized the “North East Agribusiness Conclave” on December 13, 2017 in Guwahati. Eminent personalities from the field of agriculture and the corporate sector participated in the conference. All have shared their expertise for the increase in the income of the farmers, while considering the progress of the farmers. Panellists at the conclave hailed schemes such as Venture Capital Assistance (VCA) and Credit Guarantee for promoting agriculture business in the northeast and stressed on strengthening the FPO and FPC through them.

The program was inaugurated by Shri V.K. Pipersenia (IAS), Chief Secretary, Government of Assam, Shri Pipersenia appreciating the event organized in Guwahati said, “The conference has been organized at the right time when we all are trying to promote FPOs in Guwahati. Only increasing the yield will not be enough if we want to double the farmers’ income.”



Product Display by FPC/Entrepreneur

Shri Pipersenia unveiled SFAC's in-house journal "Connect" in which information on FPO, various schemes of SFAC and management of agricultural wastes has been compiled. The conference, which was organized in collaboration with the North Eastern Council (NEC), Spice Board, Agriculture and Processed Food Products Export Development Authority (APEDA) and the National Rural Development and Panchayati Raj Institute (NIRD & PR), was a grand success.



Product Display by FPC/Entrepreneur

Addressing the North East Agribusiness Conclave, SFAC Managing Director Shri Sumanta Chaudhuri said, "The purpose of organizing this conference in Guwahati is to create a platform for farmers and to help farmers of the North Eastern region."

SFAC Signs MoU with Bank of Baroda at Pune on Feb 7, 2018 at MAHARASHTRA AGRI-BUSINESS CONCLAVE

Small Farmers' Agribusiness Consortium organised Maharashtra Agri-Business Conclave (MAC) at Pune with the objective of strengthening of existing FPOs and to explore innovative and effective strategies for enhancement of capacity building and sustainability of Farmer Producer Organisations through technology, Finance and Input supply. The Conclave witnessed participation from luminaries from both the agricultural and corporate sectors, who deliberated on pressing issues that farmers in the region are facing and shared their domain expertise to find plausible solutions through backward and forward linkages to promote sustainability of FPOs / FPCs, credit linkages for promoting agribusiness in Maharashtra through SFAC schemes such as Venture Capital Assistance and Credit Guarantee Scheme.

All the stake holders in promotion and sustenance of FPCs viz. Senior State Government Officials, Corporates, Bankers and representatives of FPCs besides Academician participated in the event. More than 200 FPCs, 100 Corporates and Banking Officials were present in the above celebrations. Number of FPCs displayed their products and active interaction between FPCs and Corporates took place which paved the way for market linkage of agriculture produce. Shri Sumanta Chaudhuri, IAS and MD SFAC and Shri B.R. Patel, General Manager, Head-Rural & Agri Banking and CSR, Bank of Baroda signed a MoU for acting as a preferred banker in Maharashtra for all round financing of FPOs.

Inaugurating the MAC, Shri Sumanta Chaudhuri, Managing Director, SFAC said, "FPOs aim to enhance farmers' competitiveness and increase their advantage in emerging market opportunities. We need to maximize the number of FPOs in Maharashtra through agribusiness incubators, in order to engage more stakeholders in making agriculture more sustainable and profitable. We intend to make the farmers not just self-sufficient, but prosperous as well." He, further, emphasized that the FPCs, Corporates and Bankers should utilise the schemes of SFAC to the maximum extent. The Maharashtra Agribusiness Conclave aimed at developing the market linkages for the sustainability of FPOs by creating a platform for all stakeholders to come together and find possible solutions to the challenges faced by farmers in Maharashtra.

The purpose is to make agriculture profitable by involving farmers along the entire agricultural value chain through Farmer Producer Organizations (FPOs).

The Maharashtra Agribusiness Conclave in Pune was organised by SFAC in collaboration with Agricultural and Processed Food Products Export Development Authority (APEDA), the National Institute of Rural Development and Panchayati Raj (NIRDPR), PHD Chambers of Commerce and Industries and MAHA Farmers' Producer Company Limited (MAHA-FPC)



Display of products by SFAC's "Equity Grant Scheme" assisted unit at Pune on Feb 7, 2018



Interaction with Farmer Producer Company with Resource Institution at Pune on Feb 7, 2018

Linkages with Banks for Financing FPOs



SFAC & Bank of Baroda signs MoU for growth of FPOs in state of Maharashtra on Feb 7, 2018



SFAC
लघु कृषक
कृषि व्यापार संघ

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