

Success Story under RKVY

1. **Title:** Farmer Producer Organization (FPO).

2. **Category:** Horticulture

The programme aims at “Lowering the cost of production and opening up avenues for direct market linkages for higher returns to the farmers”

3. **Challenge:**

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 horticulture value chain.

4. **Initiative**

Horticulture sector as in rest of the India is an unorganized sector in Karnataka also. Hence, an effort is being made to organize the farmers into the groups under various programmes of the Department of Horticulture from 2012-13 onwards. Since then the farmers have been mobilized to work in groups from seed to marketing, adopting Good Management Practices (GMP) from production up to post harvest management.

In the context of 2014 being declared as “**Year of Farmer Producer Organizations (FPOs)**” by the Ministry of Agriculture, Government of India, greater attention was given to these emerging bodies.

The Department of Horticulture, Government of Karnataka has initiated formation of FPO during the year 2014-15 with the support of FPO nodal agency Small Farmers Agribusiness Consortium (SFAC), New Delhi by mobilizing the Farmer Clusters already formed by the Department and other farmers into the larger groups of 1000 members to form a Farmer Producer Company under Companies Act 2013.

5. Key results/ insight/interesting fact:

Presently, 75 FPOs are registered under Companies Act 2013 and remaining 17 FPOs are at different stages of registration. These FPOs have covered about 70,000 farmers majority of which are small and marginal farmers and economically backward class. The resource institute, FPO CEOs and BODs conduct regular meetings at FIG level to discuss on the challenges faced by them. Suggestions are offered on integrated pest and nutrient management practices, farm mechanization etc., for adoption of sustainable practices and money-saving solutions.

The idea was to get farmers act collectively and obtain group discounts on the purchase of horticultural inputs and, thus, eventually get a better price for the sale of their produce. FPOs have enabled farmers to exercise more control over their input requirement and output marketing. Department of Horticulture with the help of RIs facilitated seed, fertilizer, pesticide and APMC trade licences. Thus, FPOs have established backward input linkages by stocking the entire range of inputs — including seeds, fertilizers, bio-pesticides, pesticides and farm equipments for its members. Both the member and non-member farmers have received numerous benefits from this intervention which included easy accessibility to quality agricultural inputs without the fear of spurious products and assured availability of the inputs throughout the season. In addition, it ensured affordable and fair prices that led to farmers saving 5-10% on the input costs alone, as well as reduced the amount of time spent to get these inputs, since they are now available in the village itself. Savings in input and labour cost reduces the cost of production by nearly 20 %, thereby the farmers can get more profit to the produce they grow.

After realizing the need to support farmers after FPO registration, the Department of Horticulture during 2015-16 started facilitating FPOs by giving revolving fund of Rs. 15.00 lakhs and 90 per cent subsidy support (maximum of Rs. 22.50 lakhs) to establish custom hiring centers (CHC). 67 FPOs have received revolving fund and 59 FPO have been supported to establish CHCs.

6. Impact:

Through FPO, farmers are collectivized, sharing their farming experiences with each other. Production cost has been lowered due to low cost inputs available in FPO where they can access easily. Encouraging establishment of custom hiring centers by FPOs which offer machinery at affordable rates has improved the productivity and reduced the drudgery of farm labour. CHC provides access to costly farm machinery for small and marginal farmers. Facilitates timeliness in farm operations and efficient use of inputs. Overall the production cost has been reduced, which inturn adds on to the profit. In some of the FPOs viz., Sri. Ramalingeshwara HFPCL Kaladagi HFPCL and Hemavathi HFPCL individual farmer's produce has been collected and marketed through FPO for better price, thereby reducing the burden of marketing on farmers.

FPO wise profit obtained from input, output sales and CHC (as per the data given by concerned RIs)

Districts	Tk No	Taluk	FPO NAME	RIs	NET PROFIT (Including CHC)
Bagalkote	1	Jamkhandi	Jamkhandi HFPCL	ISAP	362553.00
Bagalkote	2	Bagalkote	Kaladgi HFPCL	ISAP	210551.00
Bangalore (R)	3	Hosakote	Sri Venugopaswamy HFPCL	VRUTTI	295446.00
Bangalore (R)	4	Rajghatta	Rajaghatta HFPCL	ICCOA	292000.00
Bangalore (R)	5	Tubugere	Tubugere HFPCL	ICCOA	13560.00
Bangalore (U)	6	Anekal	Anekal HFPCL	ICCOA	366605.00
Belgaum	7	Chikkodi	Nippani HFPCL	ICCOA	149580.00
Belgaum	8	Belagavi	Sri Siddeshwara HFPCL	ICCOA	131700.00
Belgaum	9	Hukkeri	Yamakanamaradi HFPCL	ICCOA	79682.28
Bellary	10	Hospet	Tungabhadra HFPCL	ISAP	13700.00
Bidar	11	Humnabad	Kayakalpa HFPCL	ISAP	19600.00
Bijapur	12	Sindagi	Sindagi HFPCL	ISAP	187338.00
Bijapur	13	Indi	Shanteshwara HFPCL	ISAP	33459.00
Chamrajnagar	14	Ch Nagara	Udigaala HFPCL	ICCOA	19950.00
Chamrajnagar	15	Gundlupete	Gundlupete HFPCL	ICCOA	16357.17
Chickballapura	16	Chintamani	Sri Amaranarayanawamy HFPCL	VRUTTI	233421.37
Chickmagalur	17	Ajjampur	Sri Guru Siddeshwara HFPCL	ISAP	58800.00
Chickmagalur	18	Lakya	Chandradrona India FPOLtd	ISAP	10000.00
Chikaballapur	19	Sidhalghatta	Sadillamma HFPCL	VRUTTI	137536.00
Chitradurga	20	Hosadurga	Sri Ramalingeshwara HFPCL	VRUTTI	240150.00
Chitradurga	21	Chitradurga	Sirigere HFPCL	VRUTTI	198528.00
D.K.	22	Bantwal	Pingaara HFPCL	ISAP	122700.00
D.K.	23	Belthangadi	Navachetana HFPCL	ISAP	45729.00
Davanagere	24	Channagiri	Shanthisagara HFPCL	VRUTTI	317951.00

Davanagere	25	Jagalur	Kondukuri HFPCL	VRUTTI	226979.00
Davanagere	26	Davanagere	Devanagari HFPCL	VRUTTI	134450.00
Dharwad	27	Dharwad	Kayakayogi HFPCL	ISAP	310336.00
Dharwad	28	Hubli	Uluvayogi HFPCL	ISAP	34500.00
Gadag	29	Gadag	Puttaraja Gawayi HFPCL	ISAP	44500.00
Gulbarga	30	Aland	Negilayogi HFPCL	ISAP	207335.00
Hassan	31	C.R. Patna	Sri Manjunateshwara HFPCL	ISAP	51000.00
Hassan	32	Belur	Yagachi HFPCL	ISAP	3000.00
Haveri	33	Haveri	Bhootayi HFPCL	ISAP	179683.00
Haveri	34	Hangal	Kumareshwara HFPCL	ISAP	35000.00
Kolar	35	Malur	Masti Venkatesh Iyengar HFPCL	VRUTTI	216911.79
Kolar	36	Srinivaspura	Sri Kodandaramaswamy HFPCL	VRUTTI	187662.00
Kolar	37	Mulbagal	Sri Vinayaka Totagarike Raita Utpadakara Samsthe	VRUTTI	125391.00
Koppal	38	Koppal	Abhinavashree HFPCL	ISAP	22800.00
Koppal	39	Kushtagi	Kapilatheertha HFPCL	ISAP	2000.00
Madikeri	40	Madikeri	Bhagandeshwara HFPCL	ISAP	139232.62
Mandya	41	Malavalli	Malavalli HFPCL	ICCOA	25875.00
Mysore	42	Varuna	Varuna HFPCL	ICCOA	44143.00
Mysore	43	Nanjangud	Nanjangud HFPCL	ICCOA	18000.00
Mysore	44	Hunsur	Hussainpura HFPCL	ICCOA	11073.00
Ramanagar	45	Magadi	Srigiripura HFPCL	ICCOA	207536.00
Ramanagar	46	Channapatna	Gombenadu HFPCL	ICCOA	38000.00
Ramanagar	47	Kanakapura	Sangama HFPCL	ICCOA	20062.48
Shimoga	48	Sagara	Malnad HFPCL	ISAP	190053.00
Shimoga	49	Shimoga	Shivamogga Tungabhadra HFPCL	ISAP	187138.00
Tumkur	50	Sira	Gadinadu HFPCL	VRUTTI	365725.00
Tumkur	51	Gubbi	Hemavathi HFPCL	VRUTTI	113042.00

Tumkur	52	Pavagada	Pavagada HFPCL	VRUTTI	57861.00
U.K.	53	Sirsi	Madhukeshwara HFPCL	ICCOA	45000.00
Udupi	54	Karkala	Karkala HFPCL	ISAP	504400.00

7. Lessons learned:

The process of FPO formation has given the realization that collectivising the farmers for meeting the requirement on the farm inputs and increasing the direct sale of the farmers produce will help the farmers increase the income levels. It also enhances the bargaining power of the farmers. However, collectivizing 1000 farmers in a limited area was itself a herculean task. Furthermore, amidst the prevailing vagaries of nature, convincing each farmer to pay the share money was even more tougher task. All these seem to be worthwhile when we look at the benefits that the farmers are getting.

Conducting repeated meetings at the village level and timely involvement of the officers of Horticulture dept has helped in speeding up the process of FPO formation.

FPOs are member owned and self managed organizations and hence, involvement of the farmer members since the beginning is essential. Few minor modifications to suit the region may be adopted like limiting the area based on the crops chosen rather than insisting on 1000 farmers could become the guiding factor. A greater scope for involving the incubating activities and more thrust on capacity building of CEO, BOD and other related stake holders of the FPO.

8. Supporting Quotes and Images

(A) Agri/Horticulture input shops opened by FPOs after receiving the licenses from concerned authority to distribute the inputs for their members at lesser price.



(B) INM and IPM training and demonstration to FPO Members



(C) FPO Custom Hiring Centers (CHC)



(D) Output Marketing of Onions by Ramalingeshwara HFPCL, Hosadurga Taluk, Chitradurga District

- a) Market linkages established for – Onions
- b) How many farmers benefited/covered out of this linkage-35 Farmers
- c) What are the benefits to FPO members- Total number of FPO members included in this market linkage is 35, they got a margin of 15-20% higher than the local market price.
- d) What are the benefits for FPO & process followed- The FPO got benefit of Rs.20 /Quintal as service charge. FPO played role of aggregator
- e) Who was the buyer- Kissan Networks Private Limited
- f) The impact created at grass root level due to market linkage-

The FPO started selling the onions to buyer by consolidating produce from the farmers, where FPO acting as a collection centre. Depending upon the The number of farmers benefitted is 35, where till today they have sold 62 Tons of onion , & have earned a net profit of 7200 rupees

- g) Name of the CEO Pradeep, Contact Number-+919743068215

h) Few Photos of the activity



(E)Output Marketing of Banana by HemavathyHFPCL, Gubbi, Tumkur District

a) Market linkages established for – Unripe Banana fruits

b) How many farmers benefited/covered out of this linkage-24

c) What are the benefits to FPO members- The number of FPO members are getting margins of 3-5%, transportation is saved and commission charges are lesser

d) Who were the buyer- Local buyers

e) The impact created at gross root level due to market linkage-

They are doing Output business/ Market linkages from 17-06-2016. The FPO is acting as collection aggregator, where they procure bananas from share holder at an average price of 25 Rs from farmers every day. The Local buyers contact the FPO and buys the Banana produce at the price 3-5% more of margin than Local markets.

f) Name of the CEO- Chandrashekar, Contact number – 9740161407

g) Few Photos of the activity:





10. Checklist

No	Question to consider	Yes	No
1	Is the story interesting to the target audience of the project / activity report?		
2	Does the story explain what new insights the project brings? What is the main lesson learned from this story? Does the story describe a key insight on what works and what doesn't and something that future project could build on		
3	Does the story describe the outcomes the project produced and the people who are benefitting? What changes –in skills, knowledge, attitude, practice, or policy –has the project brought, and who is benefitting from these changes.		
4	Does the story make a comparing point, the people will remember? Does the story show how the project makes a difference in improving livelihoods and lessening poverty?		
5	Does the story provide an interesting fact that people will remember? For example how much yields increased, how many Ha of land could become more productive from this innovation or technology?		
6	Does the story explain what kind of impact this innovation or technology could have if scaled up?		
7	Does the story show which partners contributed and how?		
8	Does the story include quotes from Stakeholders or beneficiaries?		
9	Have I provided links to other media (journal articles, website news, newsletter, blogs, annual reports of other programme / project) that also feature this story?		
10	Have I provided the contact details of people who can provide more information?		