

A photograph of a man in a conical hat, shirtless, holding a large bundle of rice in a field. The rice is being tossed, creating a spray of grains. The background is a lush green field with some buildings in the distance.

Webinar on:

Sustainability of Producer Organisations Opportunities and Challenges

31 July 2020 4.00 pm to 6.00

The ongoing Covid-19 Pandemic has put all the sectors in tatters. There's an uncertainty on the future of every field. The human toll due to infection is increasing on one hand. On the other hand, there's an economic meltdown, unemployment and rising poverty. Small companies getting shutdown, Micro entrepreneurs not in a position to restart their business. Even after more than four months and India planning to officially enter Unlock 3.0, some parts of the country have again entered a complete lockdown phase. This Lock & Unlock from time to time has caused a severe disruption in economic activities.

As it is said, "Every crisis has a way out", meanwhile, there is an increasing appreciation among the policy makers and development practitioners that producer organisations are the way forward. But in spite of that, this can be realized if an appropriate architecture of producer organisations were planned and implemented. The institutional architecture and relationships in an ecosystem of producer companies that can optimize production, reduce transaction costs, increase efficiency and ensure sustainability of farmers/producers. While the service dimension of the facilitators for formation of producer organizations has been fair, the capacity of the producer organization to deliver these services after the facilitator exit from the producer organizations has largely been weak. The most challenging issue has been that the financial performance at the producer/farmer level has not been significant in most producer organizations including the very successful producer cooperatives.

The financial performance of the producer companies / organizations is linked to many other asymmetric conditions of the small producers and technical issues in the design of producer organisations. Accordingly, the various challenges of the producer organisations (POs) are in the following areas: (a) Social capital formation in PCs (b) Governance and Management capabilities (c) Scope and scale (d) Market landscape (e) Ownership issues (f) Convergence of resources from district administration (g) Institutional architecture of producer organizations in the district, and (h) Financial capital formation.

The prime objective of organising this event is to understand the opportunities and challenges on sustainability of producer organisations and how to put down a right set of circumstances to uplift the POs & address their issues during the time of the Pandemic from the experiences of academicians and practitioners.

The discussion of the webinar started with opening remarks of Mr. Mohan Kumar Baliyarsingh who acted as a moderator for the whole session. Mr. Baliyarsingh is the Director of Mahashakti Foundation and has a rich experience of more than two decades in livelihood development projects and financial inclusion. He started by sharing insights of how Self-Help Groups (SHGs) have gained popularity in India over the years because of its unique structure. He threw some questions to be discussed in webinar such as – “what should be the key performance indicators for POs?”, “should the promoting institutions for POs be associated with those in a program mode or project mode?” etc. He also stressed the importance to find out the reasons behind major successes and failures of some POs.

While making a lead presentation Mr. Debasis Mohapatra, State Project Manager – Odisha Livelihood Mission; gave a brief description of situation of POs on a national and state (Odisha) level. He explained the foremost criteria of need of 10 or more farmers to form a Producer Company (PC) and discussed that the Government of India (GoI) has approved to form 10,000 FPOs within a time period of four years (2019-20 to 2023-24). He further added that FPOs should be supported to select better implementing partners in which business expertise of the same would play a key role including facilitation provided by district administration. In his slide for “FPO Financing”, he explained FPO ecosystem need to build its financial health. He continued with the information that Small Farmer’s Agribusiness Consortium (SFAC), New Delhi is supporting FPO financing by matching equity grant and venture capital assistance initiatives and 49% FPCs in India have a paid-up capital of less than 1 lac. He underlined the need of a realistic business plan to create an economically stable PO and added that the new government policy focusses on “One District, One Product and Aspiration District” for the POs. In his presentation he specifically mentioned that the inherent strengths and capabilities of institutions like the FPOs have been considered as one of the effective tools to combat adverse impact of Covid-19 on agrarian community.

Mr. Ganesh N, Senior Vice President – Samunnati Financial Intermediation & Services Pvt. Ltd. stressed to identify the core challenges of Farmer Producer Organizations (FPOs) regarding inputs, technical expertise and market linkages. He highlighted the issues related to social and human capital among the FPOs and added that access to capital and use of product enhancing mechanisms can be very much fruitful to an FPO. Mr. Ganesh discussed about some of the key challenges being faced by FPOs- fragmented land holdings, issues related to inputs to agriculture, post-harvest losses and problems dealing with market access to agriculture produce. He gave examples of some tailor-made services provided by Samunnati to the FPOs on the AMIA (Aggregation, Market Linkage and Advisory Services) principle.

Executive Director of Harsha Trust- Dr. Kallul Bora shared some of his practical experiences in dealing with POs. He stressed to focus on community awareness towards FPOs and engaging them throughout the year with income generating activities is important. He suggested that a business oriented FPO can be economically successful and addition of new entrepreneurs into the FPOs adds socio-economic value. He said that the management of an FPO should give importance to storage, processing and market linkage activities to make it a profit-making entity. He highlighted the need of attracting private investments, incorporating entrepreneurships and linking different industries to increase the profit margin of FPOs.

In a very brief speech by Mr. Harsh Desmukh, Asst. Manager- NAB FOUNDATION (a Subsidiary of NABARD) emphasized that a combination of both options (one product and diverse products) for an FPO is a good idea for its economic sustainability. He discussed about the importance of exploring different opportunities from different stakeholders of FPOs and from different agricultural reforms implemented by the government.

He focused on the need of capacity building trainings of all stakeholders of FPOs. He suggested that an FPO must have a mission and vision and must work productively with reference to the same. He continued by explaining that promoter organizations should have an exit policy so that FPOs could become self-reliable and work independently. For technical and managerial supports FPOs must reach out to specialized platforms or organizations.

Mr. Sukumar Dash, President and CEO - Gram Bhumi Vikash & Krushi Jeevika Producer Company Limited, explained that regular interval SWOT (Strength Weakness Opportunities and Threat) analysis of FPOs is necessary for their sustainability. He emphasized on creating a proper infrastructure and enabling circumstances for FPOs in their early stages of formation. He shared his practical experiences and processes involved during formation of his FPO. He added that step by step planning with respect to trading and marketing of FPO products can make an FPO successful.

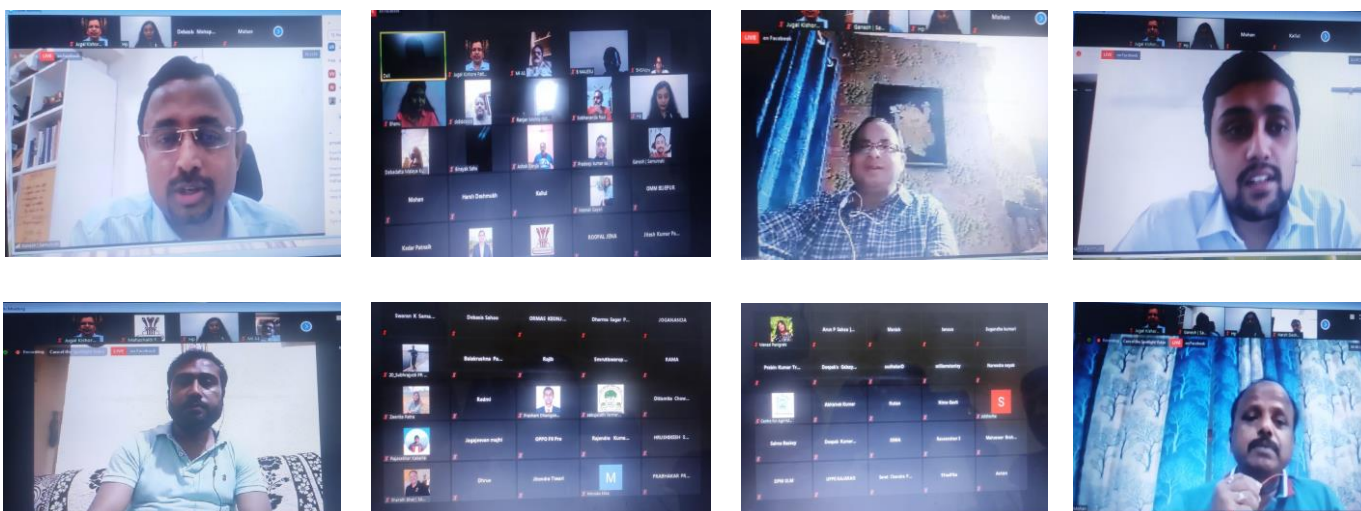
The Challenges of FPOs with small marginal farmers in rain fed and tribal areas were well discussed by Mr. Jagdish Pradhan, President cum Director- Sahabhagi Vikash Abhiyan. He also mentioned the need for quality improvement of FPO produce.

Dr. Sarita Das, Assistant Professor - Centre for Agri Management, Utkal University; in her presentation highlighted the opportunities for FPOs during Covid-19. She discussed that credible timely information is needed to create awareness among the FPOs regarding those opportunities.

Mr. Bimal Kumar Lakra, Managing Director of Kshmeta Foundation is a strong believer of running FPOs in a program mode rather than in a project mode. In his presentation he highlighted that product diversification (shift from the regional dominance of one crop to regional production of several crops with adequate production related activities and value addition) is important for sustainability of an FPO. He further added that sustainability of FPOs depends on creating an ecosystem of all crucial determinants like market linkages, adoption of best agricultural practices, technical and managerial skills to farmers etc. He further explained the ecosystem approach which consists of Financial Services, HRD and Ecosystem Development and Livelihood Development. He shared some of his practical experiences with one of the dairy FPOs with whom he has been involved professionally.

Director of Mahashakti Foundation Mr. Mohan Kumar Baliyarsingh summarized the outcomes and deliberations and Ms. Shrishita Rath proposed the vote of thanks.

IMAGE GALLERY



AGENDA

Opening Remarks & Context Setting	Mr. Mohan Kumar Baliyarsingh Director- Mahashakti Foundation
Lead Presentation	Sustainability of Producer Organisations- Issues and Challenges Mr. Debasis Mohapatra State Project Manager –Odisha Livelihood Mission
Topic and Guest Speakers Ganesh N	Aggregation, Market Linkages & Advisory services for FPOs Mr. Senior Vice President – Samunnati Financial Intermediation & Services Pvt Ltd. Value Chain Development & Building Ecosystem around FPOs Mr. Kallul Bora Executive Director - Harsha Trust Commodity Trading & Marketing, Supply Chain Management of FPOs Mr. Sukumar Dash President and CEO - Gram Bhumi Vikash & KrushiJeevika Producer Company Limited Opportunities & Challenges of FPOs during COVID-19 Dr. Sarita Das Assistant Professor - Centre for Agri Management, Utkal University Challenges of FPOs with small marginal farmers in rain fed and tribal areas Mr. Jagdish Pradhan President cum Director of Sahbhagi Vikash Abhiyan Market Linkage, Product Diversification & Sustainability of FPOs with Tribal Farmers Mr. Bimal Kumar Lakra Managing Director of Kshмата Foundation

PANELISTS



Mr. Debasis Mohapatra

Mr. Mohapatra works as State Project Manager for Odisha Livelihood Mission (OLM), Govt. of Odisha. He is working in Nutrition Project which is to impact 5 Lakh HH in 30 districts of Odisha jointly supported by OLM and Ajim Premji Philanthropic Initiative, Bengaluru. For the last 27 years he has been working with small and marginal farmers in India and abroad in Afghanistan, Kenya and Bangladesh. Mr. Mohapatra has worked with different International Agencies like Trade craft, TechnoServe, Oxfam GB, UNDP, CARE and also with various state govt. department of Odisha, Jharkhand, Bihar, Maharashtra, Tamilnadu for implementation of various poverty reduction and livelihood projects, research studies and training assignments



Mr. Ganesh N

Mr. Ganesh is the Senior Vice President at Samunnati Financial Intermediation & Services Pvt. Ltd. He has over two decades of Managerial experience and has spent 9 years of his career in Sales & Operations in FMCG. Deeply committed to work on Livelihood & Enterprises, Mr. Ganesh has 8 years of experience in Development sector in the area of Livelihood intermediation and 3 years in Agri Value Chain finance organisation.



Dr. Kallul Bora

Dr. Bora is the Executive Director of Harsha Trust. He has over 15 years of experience in promoting Rural Livelihoods - Agriculture & Livestock based, Promotion of Farmers' producer organisations like cooperatives/producer companies (Business Development, Market Linkages, Value Chain Development) and Building Ecosystem around FPOs (Partnership, Credits, Market, Technology etc).



Mr. Harsh Deshmukh is part of **NAB** FOUNDATION a section 8 non for profit company promoted and fully owned by NABARD. Prior to this assignment he was in Farm Sector Development Department at NABARD head office for a period of 1.5 years and was a part of team looking after promotion of FPOS. He is an Agricultural Engineering Graduate from JNKVV, Jabalpur and post graduate in Aquacultural Engineering from IIT Kharagpur.

PANELISTS:



Mr. Sukumar Dash

Mr. Dash is the President and CEO of Gram Bhumi Vikash & Krushi Jeevika Producer Company Limited. He is also a faculty at Centre of Agri Management, Utkal University & a Visiting Faculty at KIIT School of Rural Management. Mr. Dash is the Member of Indian Oil Seeds Produce Exporter Promotion Council, Indian Rice Exporter Promotion Council & World Trade Centre, Mumbai.



Dr. Sarita Das

Dr. Das is an Assistant professor at Centre for Agri Management, Utkal University, Bhubaneswar. With 2 years of experience in Rural Development Organization and 8 years of teaching and research experience in Agribusiness and sustainable livelihood, she has completed 15 Faculty Development programme from different premier Institute of India like - IIM (Lucknow), NIRD, NIMSME, NAARM (Hyderabad). Dr. Das is a life time member of Indian society of Agriculture Marketing, (Nagpur)



Mr. Jagadish Pradhan

Mr. Pradhan is the President cum Director of Sahbhagi Vikash Abhiyan. He's the former Member, National Commission on Farmers at Government of India & former Project Officer, Deputy Regional Representative at Oxfam, Great Britain. Mr. Pradhan gave up a safe career to work full-time on achieving his vision of self-sufficiency and improved socio-economic and ecological conditions for Kalahandi and other villages. He founded Sahabhagi Vikash Abhiyan and promoted more than 40 producer companies in Odisha.



Mr. Bimal Kumar Lakra

Mr. Lakra is the Managing Director of Kshмата Foundation. He has over eight years of corporate experience in Human Resource Management. With a keen interest in social service and community development, he has extensively worked at the grass root level with diverse communities and organizations with various developmental agendas. Mr. Lakra has a wide experience and contribution in the fields of Trainings, Consulting, Youth Empowerment and Tribal Development.

MODERATOR

Mr. Mohan Kumar Baliyarsingh

Mr. Baliyarsingh has more than 2 decades of experience in livelihood & financial inclusion. He has served in diff national & international level institutions like Rashtriya Grameen Vikas Nidhi, CARE India (CASHE Programme), ACCION International & ACCESS Development Services. He has conducted various studies for World Bank supported project TRIPTI conducted by govt. of Odisha & Jharkhand state livelihood promotion society supported by NRLM. He's an expert in institutional assessment & business planning process, partnership management, & mentoring to producer companies, CBOs and NGOs.



MEDIA GALLERY

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Farmer Producer Organisations should be supported like SHGs.

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Bhubaneswar - The ongoing Covid-19 Pandemic has put all the sectors in tatters. There's an uncertainty on the future of every field. Meanwhile, there is an increasing appreciation among the policy makers and development practitioners that Farmer Producer Organisations (FPOs) are the way forward. But in spite of that, this can be realized if an appropriate architecture of producer organisations is well planned and implemented. On the above context, a webinar was organized by the Bhubaneswar based Civil Society Institution - Mahashakti Foundation addressing the opportunities and challenges of Producer Organisations. About 100 participants from across the country participated in this event.

While making a lead presentation, Mr. Debasis Mohapatra, State Project Manager, Odisha Livelihood Mission (OLM) highlighted the situation of FPOs on national and state level. He underlined the need of a realistic business plan to create an economically stable FPOs and added that the new government policy focuses on "One District, One Product for the FPOs. Mr. Ganesh N, Senior Vice President - Saranmati Financial Intermediation & Services Pvt.Ltd, a Chennai based Agri Value Chain Financing Agency, highlighted about the requirement of tailor-made services like Aggregation, Market Linkage and Advisory Services for the FPOs in right time. Executive Director of Haryana Trust - Dr.Kallal Bora suggested that a business oriented FPO can be economically successful and additions of new entrepreneurs into the FPOs adds social and economic value. Mr. Harsh Desamukh, Asst. Manager, NAB FOUNDA-TION - a Subsidiary of NABARD emphasized that a combination of both options (one product and diverse product) for an FPO is a good idea for its economic sustainability. He focused on the need of capacity building trainings of all stakeholders of FPOs. Mr. Sakumar Dash, President and CEO, Green Bhumi Vikas Sanstha & Krushi Leevika Producer Company Limited explained that regular Strength Weakness Opportunities and Threats analysis of FPOs is necessary for their sustainability. He emphasized on creating a proper infrastructure for FPOs in their early stages of formation. He added that step by step planning with respect to trading and marketing of FPO products can make an FPO successful. The Challenges of FPOs with small marginal farmers in rain fed and tribal areas were well discussed by Mr. Jagdish Pradhan, President, Sahabagel - Vikash Abhiyan. He also mentioned the need for quality improvement of FPO products. Dr.Sarita Das, Assistant Professor - Centre for Agri. Management, Utkal University, highlighted the opportunities for FPOs during Covid-19. He discussed that credible timely information is needed to create awareness among the FPOs regarding those opportunities. Mr. Binai Kumar Lakra, Managing Director of K s h m a s a i a Foundation focused on the product diversification is important for sustainability of an FPOs. He further added that an ecosystem approach could improve the socio-economic conditions of the farmers associated with FPOs. Director of Mahashakti Foundation Mr. Mohan Kumar Baliyarsingh summarized the outcomes and deliberations and Mr. ShriharathRath hosted the webinar.

Farmer Producer Organisations should be supported like SHGs: OLM State Project Manager

Farmer Producer Organisations should be supported like SHGs: OLM Project Manager

Pragatidivnewservice Aug 1, 2020



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