

Efforts for Empowerment of Tribal Farmers by Deshbandhu Farmers Producer Company (DFPC): A Case Study

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ABSTRACT:- The approach of integrating small & marginal producers to distant & global markets & thereby helping in transformation of subsistence agriculture has been attempted through building appropriate institution of producers. To avail all types of needs of tribal farmers, the Deshbandhu Manju Gupta foundation and some young energetic personalities came forward to unit 1000 farmers / members from 35 tribal villages & Padas. Each member has to collect 500 Rs. & the company itself has offered 10 lakh Rs. without interest such a total 15 lakhs Rs has established to start the Deshbandhu Farmer Producer (DFPC) company at Pimpalner, Tal Sakri (Dhule) M.S. in 2014. Information is collected from President, Vice President, C.O.E & members, we got preliminary information regarding Inputs & Technical services, market linkage, Network support etc to the farmers.

From year 2015 company started their own business center providing seeds, fertilizers, pesticides, agricultural equipments etc. at lowest rate. The last year company turn over was 66,42,555 /- & benefits was 23,600 /-. Company also conducted five training programmes for tribal farmers around 400 farmers got benefits regarding the new techniques in the cultivation of rice, vegetables, potatoes & other cash crops. The company is established according to the company act 2003 and the motto is to get right return and profit to the tribal farmers. These thousand farmer are working through this media or in PC and Deshbandhu Manju Gupta Foundation is going to co-operate first 3 years as a promoter.

KEYWORDS: DFPC, Business center, Input & technical services, market linkage, Network support, farmers, training, farmgate services etc.

I. INTRODUCTION

Marginal or small farmers constitute the largest groups of cultivations in Indian agriculture, round 85% farmers are smaller than or holding about two hectares & amongst these holding, 60% are less than one hectare [1]. Agricultural suicide among small & marginal farmers in increasing [2] is any indication, these farmer are struggling to survive, while indebtedness is often cited as the immediate reason for distress [3]. These issue includes lack of information, poor communication linkages with the wider markets & marketing of fresh produce [4]. In Fact, related to the situation assessment survey of farmers for small & marginal farmers monthly per capita consumption expenditure is higher than the monthly, per capita income [5].

A variety of approaches have emerged to solve the problems of small or marginal farmer like Agriculture produce Marketing Committee (APMC) Act in 2003, contract farming (FAO, 2014) Where small producers were excluded [6,7]. Similarly agriculture Co-Operatives formed under the Co-operatives Credit Societies Acts 1904 but due to many limitations that present effective collective action. Hence the Indian government has been promoting a new form of collective called Farmer Producer Organization (FPO's) to address the challenges faced by the small & marginal farmers particularly to enhanced access to investment, technological advancements & efficient markets [8].

Primary producer collectives are being argued to be the only institutions which can protect small farmers from ill-effect of globalization of prepare them to participate in modern competitive markets [9]. Producers organizations not only helps farmers buy or sell better but also providing technical support in production & creating social capital. In

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Mozambique, where 80% farmers are small holders & only 7.3% were members of any farmers organization in 2005, the membership in a farmers organization led to 50% increase in profits for small farmers from the crops handled by the organization [10].

Several institutional models are being tried in India to integrate farmers with the value chain. The most common model is the producer co-operative, which enables farmers to organize themselves as collectives. The co-operative are registered with the Registrar of co-operative Societies. India has large number of co-operative institutes in a vast range of enterprise sectors. The co-operative experience in india has not been every pleasant one, as co-operative have largely ban state promoted with a focus as welfare rather than to do business on commercial line. A producer Company (PC) is one such & relatively new legal entity of the producer of any kind, viz, produce, where the members are primary producers. PC is a legal entity was enacted in 2003 as per section IX A of the Indian Companies Act 1956. The PC has been hailed as the organizational form to improve net income & qualities of life of small & marginal farmers/producers in India. As in the mid-2011, there were over 156 PC's in India. These PCs sell their produce to any large national & international buyers/processors or to their promoters. The PC as an enterprise of small & marginal farmers/producers nevertheless appears to be powerful vehicle to empower small farmers/producers to improve their quality of life leading to better rural development in India. It is in appropriate time to assess the functioning of the PCs & their impact on the small & marginal farmers/producers in India as they have been in existence for almost a decade now [1].

This paper is a case study of Deshbandhu Farmer Producer Company (DFPC), Pimpalner, Dist Dhule (M.S) . We Conducted interview of President , Vice President & CEO & some members of the Company. Aim is to explore their experience with the PC (Produce Company) & address the benefits or other issues faced by small & marginal farmers.

OBJECTIVES

Within the above information , the study examines :

- Current status of the producer company.
- Business performance of the company.
- Problem faced by this PC.

II.METHODLOGY

History : Due to forest degradation was leading a number of other social problems. To overcome these problems B.G.V.S. (Baripada Gram Vikas Samitee) Baripada, Tal Sakri ,Dist Dhule M.S.(India) & some villagers thought to do something for the degradative situation. They decided to protect forest on 450 hectar land. After some days they got good support from NGO's , forest Department (FD) , Joint Forest Management (JFM) & Deshbandhu Manju Gupta Foundation. By this support not only the forest protection they got success in a water harvesting, various social activities, economical development through Bachat gats they got several awards. Now Baripada is role model in front of near by tribal Villages & villagers[11]. By this inspiration and to avail and advice on all types of needs agricultural equipments through which poors & needy farmers will develop their farming as well as standard of living. In this situation Deshbandhu Manju Gupta Foundation and some young energetic personalities has come forward to unit 35 tribal villages (Padas) & villagers decided to form producer company in, 2014. They started " Deshbandhu Farmer Producer Company (DFPC) in, 2014 at Pimpalner, Tal. Sakri (Dist. Dhule) M.S. (India).

This study uses literature & in depth interviews with beneficiaries of producer company. We got a preliminary key information from development support center & from C.O.E. our data for the study comprise open ended interview of 10 members of Deshbandhu – farmer producer company in Marathi & English. We obtained due consent from all these respondents. The 10 members includes President, Vice President , Members & C.O.E.

The interview was focus on overall functioning of the PC. We also requested to freely narrate perceived benefit 's members & challenges faced. We translate the interviews transcribed them for coding.

III. RESULTS

For DFPC Deshbandhu Manju Gupta Foundation has given 10 lakh rupees initial capital without any interest & 5 lakh rupees collected from 1000 members of 500 rupees per head or per member. Now presently Mr. Chaitram Pawar is a working president, Mr. Sambhajirao Kakuste is Vice president & other 9 members from 35

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villages, 1000 farmers from tribal community especially kokani & mavchi are beneficiaries of this PC today. The company is established according to the company act 2003 and the motto is to get right return and profit to the small tribal farmers. Management of 11 directors are successfully running this company. Deshbandhu Manju Gupta foundation is helping for first 3 years as promoter. The company also started service center at Pimpalner. Dist. Dhule

The coding of interview data emergence of following themes-

- a) **Input services** :- Almost all our respondents mentioned input supply services in the context of DFPC services. According to our respondent, service center of DFPC government approved seeds, pesticides & other inputs like farm equipment & fertilizers with price advantages of up to 10 to 15 % for both kharip & Rabi season. Company has purchased of Rs.66,42,555/- & sell of Rs.6,48,55,893/- some material was in sell return & benefit of Rs. 23,600/- in year 2015-16.
- b) **Technical services** :- The technical services that includes a variety of training programs & information dissemination activities. DFPC provides crop-based training to the farmers at regular intervals. The company has provided 5 (five) training programs in 2014 – 15 & 2015-16 on rice cultivation (SRI Method), potato, sugarcane, vegetables, wheat, maize etc & on disease prevention. Also farmer-to-farmer learning is also encouraged. Water harvesting awareness is perceived as one of the most significant benefits of membership of DFPC. Members also receive training in the use of farm equipment like tractors & other newly available recent equipments. Around 400 farmers has taken benefits of these training. Periodic training programs seem to have significantly impacted on & off-farm agricultural practices. This seems to have brought about a qualitative change to farming practice.
- c) **Market Linkage** :- Market linkage is one of the primary objectives of our PC, interview reveal that PC has not been able to make progress in collective marketing of farm produce. Unavailability of sufficient storage & other infrastructure & more importantly lack of capital to create value addition to the farm produce appears, to be the barriers to establishing mechanism for collective marketing. Currently our PC activity got success to sell 50 quintal rice in high price & quality rice made available to the customers. PC also involved in selling solar lamp, around 6000 solar lamps sold by the company in 2015-2016.
- d) **Network support** :- Our PC is networking with agriculture universities in the state to update the farmers on latest farm technology & practices, thereby facilitating transform of knowledge from lab to the farm. DFPC in fact proactively encouraging interaction among its members. Farmers members have benefited directly & indirectly through the networking services offered by PC. Members also got information from Govt. agencies & experts of Deshbandhu Manju Gupta Foundation.
- e) **Financial services** :- NABARD & DMGF (Deshbandhu Manju Gupta Foundation) given support to run the DFPC in Pimpalner. Credit for small farmers is not being taken up by this PC because PC does not have enough capital on its own to disburse loans. Some members states: To borrow loans at high interest rates, which makes the loans unaffordable to the small farmer.

Key learning & observations :-

- Growth of DFPC can be attribute due to energetic management team & Co-operation from NABARD & Manju Gupta Foundation.
- Benefits of members due to timely & easily availability of fertilizers, seeds & other agriculture inputs at reasonable rate bulk selling of agriculture produce for better price. extensile training network service from PC.
- As far as business is concerned the agro base market is quite large & there is plenty of scope to PC to increase the business.
- Service center providing quality seeds, fertilizers, Pesticides, farm equipments etc. Through extension by keeping material in godowns & nearby villages. The aim is to reduce the transport expenses of farmers & members i.e. sell was organized at the farm gate.
- For the updates of PC in a fast track mode-arrangement of initial working capital & need some extra free loan is necessary.
- Financial support for establishment of state support system.

No detailed study has been conducted yet, but member are very happy with the services of the PC & there is a tendency of increased of participation.

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IV. DISCUSSION

Our interviews with the President, Vice-President, C.O.E & members of the DFPC suggest that the PC in Pimpalner has been started successful on many fronts & some fronts yet to be started. The innovative methods in training & information dissemination have resulted in significant benefits to the members in forms of enhancement of their incomes.

Small & marginal farmers in India have been vulnerable to risks in agriculture production. Several organizational prototypes are emerging to integrate them into the value chain with the objective of enhancing incomes & reproduction in transaction costs. The alternative is farmer Producer Organisation (FPOs). A Case study of Avirat one & the first FPOs in Gujrat & Analysis suggest that FPO, collective action [12]. In India it is necessary to promote co-operative farming of farm production in the form of better farming societies, joint farming societies, collective farming societies & more of co-operation happened in higher stages of the value chains of farm commodities i.e. in procurement, processing & marketing, besides the credit [13].

The only exception with limited success are the ground water irrigation co-operative in state like Gujrat that informal groups known as 'tubewell companies' [14]. Also, there are a few successful women's farming groups in Andhra Pradesh & a farming co-operative (Gambhira) in Gujrat & in other countries South Asia [15,16] & it is argued that they are the appropriate institutions to manage small or marginal farmers of India for poverty reduction [16]. But, there is also a view that co-operative of producer collectives are needed more in post production stages like processing & marketing [17].

Some of the silent features that provide the PC a competitive edge are: first, the PC format provides more legitimacy & credibility in the immediate business environment. It breaks the producer organization free of the welfare oriented, efficient & corruption-ridden image of co-operative. Second, it allows registered & non-registered groups to become equity holders in a PC. Third, the act permits only certain categories of persons to participate in the ownership of PCs i.e. the member necessarily has to be "Primary Producers". The PC Act tries to mitigate professional capabilities a symmetry between private & co-operative organizations by allowing to co-opt professionals in the governance structure. Thus, small & marginal producers can avail of professional management inputs while retaining qualitative governance control. Finally, unlike the co-operative, companies have stronger regulation making statutory demands on the organization for better disclosure & reporting. Thus empowers the members to demand operational & fiscal discipline [18].

There are 156 PCs in India across the states promoting agencies, Crops & products & types of primary producers as of January 2011. 60% were more than two years old by the end of 2011. In case of PCs in MP, the state government which was also the promoting body provided a one-time grant of Rs. 25 lakh to each PC as fixed deposit revolving fund for obtaining bank loan against it & also another annual grant of maximum Rs 7 lakh per year for 5 years for administrative & other expenses in the manner of 100% in first year, 85% in second, 70% in third & 55% in fourth year & 40% in 5th year [19].

V. CONCLUSION

- Growth of DFPC in Pimpalner (Tal Sakri Dist Dhule, M.S.) is satisfactory.
- Small & Marginal farmers got benefits of this activity and guidance given by DFPC. Activity supports the sustainable agriculture development.

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