

The compendium of case studies 'Breaking New Ground – Success Stories of Farmer Producer Organisations,' is an attempt to capture the stories of seven award winning Farmer Producer Organisations (FPOs) that have overcome various challenges, to successfully build self-sustaining businesses and contribute meaningfully to their member community. Through the compendium an effort has been made to assimilate the innovations, breakthroughs, good experiences and best practices that help in learning from the diverse experiences of successful FPOs and further strengthen the FPO Model.

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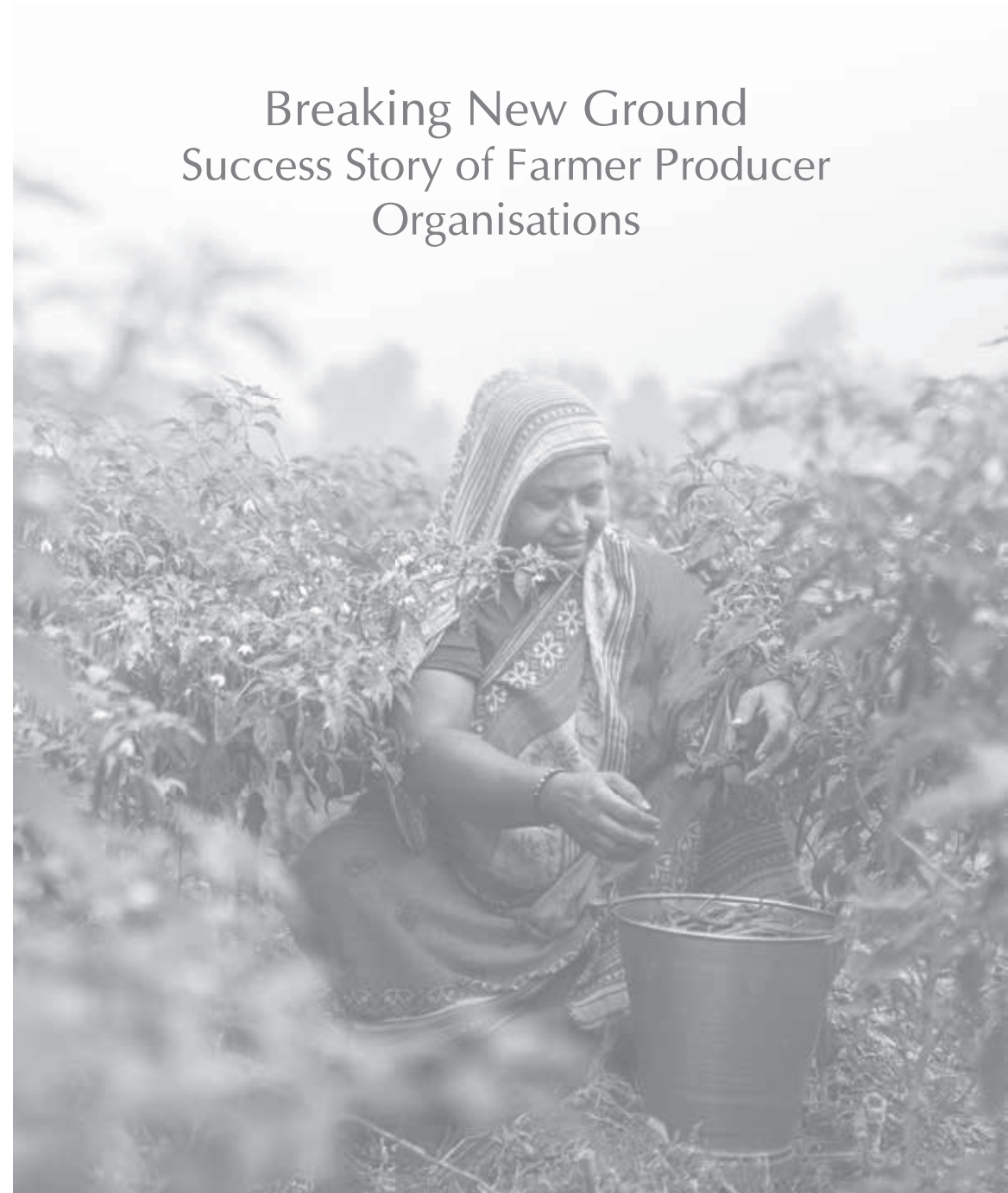


# BREAKING NEW GROUND

Success Stories of Farmer Producer Organisations



Breaking New Ground  
Success Story of Farmer Producer  
Organisations



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# Tamil Nadu Banana Producers Company Limited

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## Overview

The Tamil Nadu Banana Producer Company Ltd (TNBPCL) was incorporated in July 2014 with the objective of catering to the business needs of banana growers in Tamil Nadu. It was established under the aegis of the Small Farmers Agri-Business Consortium (SFAC) and Tamil Nadu Agricultural Marketing & Agri-Business Department. Prior to the formation, it worked as the Tamil Nadu Banana Growers Federation, which was in service for over two decades. It was later formed into an FPO to reap the benefits of collectivization and improve access to government services.

The FPO has around 1,000 shareholders, comprising Banana Producer Societies and groups from across 29 blocks in 13 districts of Tamil Nadu. The Farmer Interest Groups (FIGs) working in these clusters are engaged in diversified businesses according to the facilities and resources available in their location. Over 90% of the members belong to tribal communities and they together comprise an almost equal distribution of small, medium and big farmers. The FPO has a total share capital of INR 19.9 Lakhs, including a matching grant from SFAC. The FPO has a vision to work for the holistic development of its member farmers besides improving the cultivation and marketing of bananas and its by-products.



## FPO at a Glance

<b>Date of Incorporation</b>	July 27, 2014
<b>Registration Details</b>	Registered at Registrar of Companies, Coimbatore
<b>Registered Address</b>	S.A.S. Garden, Ganesapuram, Thottiam, Trichy, Tamil Nadu 621215
<b>Crop Cultivated</b>	Banana
<b>Operational Area</b>	District:13 Block : 29
<b>Number of Shareholders</b>	1000
<b>Number of Farmer Interest Groups</b>	47
<b>Board Members</b>	Male: 10 Female: 1
<b>Profile of Shareholders</b>	Male : 750 Female: 250 SC : 25 ST: 975
<b>Nature of land Holdings</b>	Small Farmers : 340 Medium Farmers: 360 Big Farmers : 300
<b>Total Share Capital</b>	19,97,200 (Includes INR 10 lakhs Matching Grant From SFAC, GoI)
<b>Value added Products of Banana</b>	Solar Dried Banana Banana Cookies Banana Powder Banana Flower Thokku Dry Banana Fruit & Nuts Banana Chewty (Flavoured Toffee) Choco Banana Banana Sheath Tissue Culture Seedling (Also Includes Other Products Like Paddy, Pulses, Grains and Millets)

## Business Operations

The FPO aims at strengthening the banana production clusters and hence is engaged in activities like provision of quality inputs, technology dissemination and capacity building of farmers, manufacturing of value-added products, marketing initiatives and distribution of high-quality seedlings. Some of the value-added products being manufactured by the FPO include solar-dried banana, banana cookies, banana powder, banana flower thokku, dry banana fruit & nuts, banana chewty (flavoured toffee), choco-banana, banana sheath and tissue culture seedling. The product portfolio additionally includes paddy, pulses, grains and millets.

The FPO has instituted Management Committee, Procurement Committee, Business Promotion Committee and Audit/Finance Committee to manage its day-to-day affairs in a streamlined manner.

Some of the FIGs have been performing exceptionally well, especially in the areas like value-added products from bananas, adoption of scientific methods of production, and increased sales of produce, even outside Tamil Nadu.

The *Thottiam Banana Producer Group* has been producing solar-dried bananas and a range of products such as banana cookies, banana powder, banana chocolate, banana chewty and dry banana fruit & nuts under the brand name Madhur Sweets. The annual turnover of this group is around INR 30 Lakhs. However, the marketing of these products, including export of solar-dried banana to Malaysia, Singapore, and other Gulf countries is largely undertaken by TNBPCL.

The *Theni Banana Producer Group* has been trading fresh banana in Tamil Nadu and neighbouring states. The annual turnover of this group is around INR 110 Lakhs.

The *Varadarajapuram Banana Producer Society* has been undertaking scientific ripening of fruit using a climate-controlled ripening chamber and supplying to local markets as per demand. The Society's annual turnover is approximately INR 9 Lakhs.

The Woraiyur Banana Producer Group has been manufacturing banana-flavored ice-creams and kulfis and marketing them locally. The group is currently pursuing the marketing of micro-nutrients for bananas and other crops in association with the National Research Centre for Banana (NRCB).

## Market Initiatives

TNBPCL has been mainly engaged in the marketing of banana produce and several value-added products manufactured by the cluster groups. The company has ambitious business plans to arrange and distribute hi-tech quality tissue culture seedlings of traditional banana varieties grown in various parts of Tamil Nadu. It also aims to promote and supply micro-irrigation equipment and quality inputs to members on needs basis. The FPO also aims to facilitate the cluster groups to establish post-harvest pack-house facilities in production centers to reduce post-harvest losses, ensure quality standards as per marketing requirements and thereby improve farm revenue.

As part of its marketing initiatives, the FPO will be managing a market facility established in Puthoor in Trichy district under the Supply Chain Management Scheme of Agricultural Marketing & Agri-Business Department, Govt. of Tamil Nadu. It will also be managing the wholesale and retail marketing of fresh fruit at Kallikudi in Trichy district. The FPO aims at establishing 'HAMSA-Goodness of Groceries' retail outlets in Chennai and other metro cities. It will also set up the Unnatham Uzhavar Angadi, a retail outlet branch in Madurai which will be managed by Virudhunagar Banana Producer Group.

## Export of Native Varieties

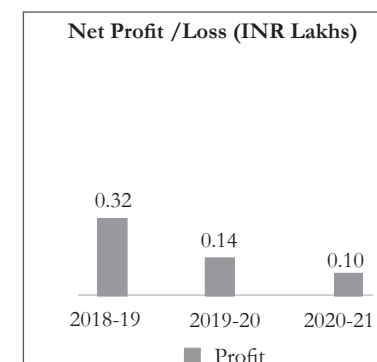
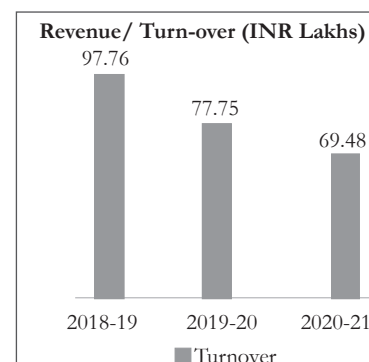
The service arm of the FPO has initiated its first batch of export of fresh bananas under the brand name 'Banana 4 Growth' with the support of Tamil Nadu Agricultural University (TNAU), Coimbatore and Port of Trieste, Italy. The native varieties Karpooravalli, Red Banana, Poovan, Elakki, Rasthali and Grand Naine are being exported to countries like Vienna (Austria) and Cavendish bananas are being exported to Italy. These initiatives have opened up vast business opportunities for export of bananas to Europe.

## Financial Performance

Although individual FIGs under the umbrella of TNBPCL have been functioning well, the FPO itself was able to generate a profit of INR 10,000 only in the year 2020-21.

(Figures in Lakhs)

Financial Year	Revenue/Turn-over (INR)	Profit (Loss) (INR)
2020-2021	69.48	+ 0.10
2019-2020	77.75	+ 0.14
2018-2019	97.76	+ 0.32



## Key Achievements



Four editions of Banana Festival conducted between 2012 and 2017. **Awareness and training programs were conducted** successfully in association with the Confederation of Indian Industry (CII).



**A research study on pre and post-harvest intervention** required for quality production and marketing of bananas was conducted with 100 progressive banana growers in Tamil Nadu. A report on the same was submitted to the Government of Tamil Nadu.



**Signed a MoU with the National Agro Foundation,** Chennai partnering for the development and distribution of tissue culture seedlings to rejuvenate traditional banana varieties grown in Tamil Nadu.



**Signed a MoU with Tamil Nadu Consortium of Farmer Producer Company Ltd** for establishing a network of retail business centres (Unnatham Uzhavar Angadi) of FPOs in Tamil Nadu.



**Signed a MoU with Rudram,** a Swiss-based company to export agricultural and horticultural products, and value-added products in European countries, sourced directly from Farmer Producer Companies in India.



**Signed a MoU with the Indian Institute of Food Processing Technology,** Tanjore to develop technology to produce banana juice, banana stem juice, and banana puree.

## Viruthai Millets Farmer Producer Company Limited

### Overview

Viruthai Millets Farmer Producer Company Ltd (VMFPOL) is one of the leading FPOs in Tamil Nadu, focused on providing specialist agricultural services, value addition and marketing of millets. The company enjoys a leading market position in Tamil Nadu, Bangalore and Hyderabad. It was incorporated in June 2016 as a registered company under the Indian Company Act 2013 and has its headquarters in Virudhunagar, Tamil Nadu. It is currently operational across 18 blocks in Virudhunagar district of Tamil Nadu and has a membership of 1,350 farmers.

Virudhunagar District is located in the southern part of Tamil Nadu and the economy is largely based on agriculture wherein the farming systems are mainly rain-fed, with some farmers' also using open and bore wells as a source of irrigation.

Social Education Economic Development Society (SEEDS), which has been working for the socio-economic development of marginalized and disadvantaged rural women and farmers, played a major role in the establishment of VMFPOL. As a resource institution, SEEDS has supported VMFPOL in the area of mobilization, capacity building, market linkages, and fundraising. VMFPOL has also received funding from Tamil Nadu Small Farmers Agri. Consortium (TNSFAC). It also received the award for the Best Performing FPO in the state of Tamil Nadu from the Chief Minister, Shri Edappadi Palanisamy in 2019 and 2020.

## FPO at a Glance

<b>Date of Registration</b>	June 10, 2016
<b>Registered Address</b>	D. No. 6/676/30-2 Bharathidasan Street, Lakshmi Nagar, Madurai Main Road, Virudhunagar – 626001
<b>Registration Details</b>	Indian Company Act 2013
<b>Governing Body</b>	Headed by Chairman and Board of Directors Comprising of 6 Members
<b>Geographical coverage (District)</b>	Virudhunagar District
<b>Number of Blocks Covered</b>	18
<b>Cultivated Crops</b>	Millets: Barnyard millet, Foxtail millet, Proso Millet, Kodo Millet, Little Millet, Pearl Millet and Sorghum Pulses: Black Gram, Green Gram, Red Gram
<b>Total number of Shareholders</b>	1350
<b>Empanelment</b>	Empanelled as Cluster Based Business Organization (CBBO) by National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) & Tamil Nadu Small Farmers Agribusiness Consortium for FPO Formation and Promotion.
<b>Number of Districts supported as an empanelled agency</b>	7

## Business Operations

VMFPOL was set up with a vision of supporting farmers to enhance their productivity through the adoption of Good Agriculture Practices (GAP) and secure increased returns for their produce through an Aggregate Marketing Network supported by public and private institutions. The FPO follows a strategy built on principles of social enterprise to achieve high social, economic, and environmental impact. It works towards organizing millet farmers in rainfed areas in identified

blocks and villages, building their skills and capacities to undertake scientific agricultural production, supporting them in strategic planning and involving them in conducting value-added production.

The FPO has an extensive product portfolio and has been producing more than 102 organic millet products, millet by-products, pulses and oil. It has also introduced a range of value-added products in millets such as its Ready to Eat and Ready to Cook range of products.

*Farming Inputs* – The FPO has ensured quality and timely supply of farm inputs to farmers. Gaps in accessing farming inputs are identified and seeds, manure and fertilizer are made available in a timely manner for facilitating a smooth farming cycle.

*Biological Pest Management* – As an alternative to harmful chemical pesticides, VMFPOL has developed and popularised bio-control agents at the farm level for promoting integrated pest management in agricultural lands. The system uses the pest's natural predators in controlling their populations to minimize the impact on agricultural produce.

*Enhancing Technical Capacity of Farmers* – One of the major objectives of VMFPOL is to build the capacity and skills of farmers to undertake scientific agricultural production. Farmers are provided training in the area of finance management, human resource management, statutory compliances and product and market development

*Direct Farm Procurement* – Procurement services are provided to farmers through village-level collection centres and PMKVY schemes operated by government departments. Higher involvement in the procurement has helped in better price realization for farmers and elimination of stakeholders and activities that do not add value.

*Highly Mechanized Processing Centres* – The FPO has set up highly advanced processing centres with modern infrastructure and machinery where the raw produce procured directly from farmers is further processed and packaged for attracting improved market value. Post-harvest processing equipment like threshers have also been installed for reducing post-harvest loss. The following are the processing centres that have been set up by VMFPOL.



- Processing Centre for Millets and Paddy at Valayankulam, Kariapatti Taluk, Virudhunagar
- Integrated Processing Centre for Millets, Pulses & Oil Seeds at Moolipatti, Virudhunagar
- Seed Processing and Storage Unit at Melathulukkangulam, Virudhunagar

*Marketing & Branding Initiatives* – VMFPOL has succeeded in adopting different marketing strategies to achieve growth and sales. Product development, branding, promotion, and establishing traditional market linkages have been focused upon.

It has also introduced a range of innovative value-added products using millets and paddy such as its Ready to Eat range that includes cookies, cakes and health drinks and its Ready to Cook range that includes Millet Pongal Mix, Millet Dosa Mix and pudding cake mix. Such value-added products have strengthened the product portfolio and facilitated marketing.

The FPO is also operating two brands, ‘Viruthai Agro Foods’, an exclusive brand promoted by VMFPOL, and ‘Tamil Nadu Organic Products’ (TOP), a brand established by the government of Tamil Nadu. The brands are trademark certified. VMFPOL follows traditional marketing channels that include deploying a network of super stockists, distributors and marketing executives across the State. Currently, VMFPOL’s products have been placed in more than 400 supermarkets in Tamil Nadu and beyond. Several tie-ups and MoUs have also been signed by mega-buyers and prominent exporters from across the country. The products are also being exported to countries like the USA, Canada, Kuwait, Oman and UAE.

## Linkages for Resource Support, Mechanization and Other Initiatives

Departments	Schemes	Year	Subsidy Amount (INR Lakhs)
Tamil Nadu Small Farmers Agribusiness Consortium (TNSFAC)	Sub-Mission on Seed and Planting Material (SMSP)	2018-19	60.00
	National Agricultural Development Programme (NADP)	2017-18	13.65
Department of Agriculture Marketing and Agricultural Business, Chennai	Tamil Nadu Irrigated Agriculture Modernization	2018-19	30.00
Department of Agriculture Engineering, Chennai	Mission on Sustainable Dryland Agriculture (MSDA)	2018-19	10.00
Tamil Nadu Rural Transformation Project	COVID 19 Assistance	2020-21	10.00

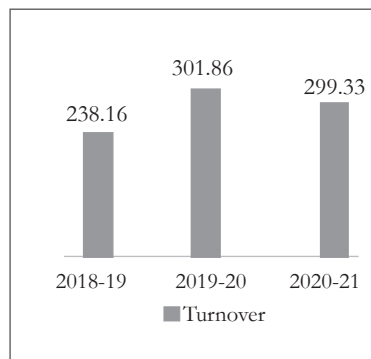
VMFPOL has been empanelled as Cluster Based Business Organization (CBBO) by National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) and Tamil Nadu Small Farmers’ Agri-Business Consortium for FPO formation and promotion and has supported FPOs in 7 districts.

## Financial Performance

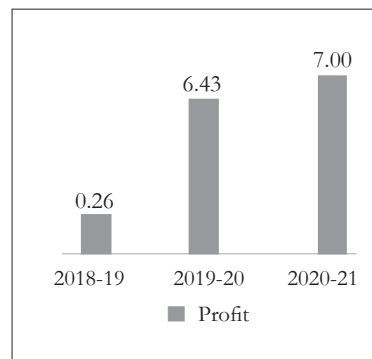
(Figures in Lakhs)

Financial Year	Revenue/Turn-over (INR)	Profit (Loss) (INR)
2020-21	299.33	+ 7.00
2019-20	301.86	+ 6.43
2018-19	238.16	+ 0.26

Revenue/ Turn-over (INR Lakhs)



Net Profit /Loss (INR Lakhs)



## Key Achievements



### Best Performing FPO in Tamil Nadu Award

– 2021 from the honourable Chief Minister of Tamil Nadu Shri Edappadi K. Palaniswami at Chennai during Republic Day Celebration.



### Best Performing FPO Award – 2019 from

the honourable Chief Minister of Tamil Nadu Shri Edappadi K. Palaniswami at Thalaivasal, Salem District.



### Best Women Entrepreneurship Award

2018 from Honourable Central Minister of Agriculture.



### Best Value Chain & Supply Chain

Management Award from Tamil Nadu Agricultural University (TNAU), Madurai, Tamil Nadu

# SEEDS Farmers' Producer Company Limited

## Overview

Seeds Farmers' Producer Company Ltd. (SFPCL) is an institution promoted by NABARD and a pioneering agent of change in the area of farming. SFPOL was incorporated in December 2014 and operates across 30 panchayats in Virudhunagar district in Tamil Nadu. The FPO has more than 3,700 farmer members with about 60% of its membership belonging to ST communities and the rest belonging to SC communities. More than 90% of the members are women farmers. The farmer profile includes about 62% small farmers, 26% landless farmers of agricultural labourers and the rest being marginal farmers. The FPO has a share capital of INR 47 Lakhs.

It all began in the year 1995, when Social Education Economical Development Society (SEEDS), a non-profit organization, was established for conducting various livelihood development activities for rural communities. Taking into consideration the work carried out by SEEDS and the rapport it had with the community and government departments, SEEDS was recognized as a Project Facilitating Agency (PFA) by NABARD. The organization was selected to implement Watershed Development Projects to enhance soil and water conservation in the rainfed semi-arid region. The first project, Pisindi-Alagiyannallur Watershed in Virudhunagar District, Tamil Nadu, was successfully implemented and enhanced the agricultural productivity in the region. However, the potential of this improved productivity to translate into farmers' income was constrained as local traders continued to pay meagre value for the farmer's produce. To address this, SEEDS organized a Participatory Rural Appraisal to analyze the issues of the farmers and identified the limited marketing opportunities as the major hurdle. This gave rise to the idea of setting up a Farmer Producer Company with the objective of collectivization for providing

better bargaining and marketing opportunities. SEEDS initially came into existence by aggregating 350 shareholders, however, over the years it has gained the trust of many more farmers who have become part of the FPO community.

## FPO at a Glance

<b>Date of Registration</b>	<b>December 18, 2014</b>
<b>Registration Details</b>	Registrar of Companies, Chennai.
<b>Address</b>	56 F/5, Assefa weekly market, Opp. Govt. High School, Mallankinar village, Kariapatti Taluk, Virudhunagar District, Tamil Nadu.
<b>Crops Cultivated</b>	Pulses, Minor Millets, Spices
<b>Operational Area</b>	30 Panchayats of Virudhunagar District
<b>Number of Shareholders</b>	3715
<b>Profile of Shareholders</b>	Male : 211 Female: 3504 SC: 1486 ST: 2229
<b>Total Share Capital</b>	INR 47,15,000 (Includes INR 37,15,000 Lakh capital + Equity Grant INR 10,00,000)
<b>Nature of Land Holdings</b>	Marginal Farmers: 400 Small Farmers: 2325 Landless / Agri. Labourers: 990

## Business & Operations

Since its inception, SEEDS Farmers Producer Company (SFPOL) has been at the forefront of procurement of minor millets, pulses and spices from the farm-gate and remunerating the farmers/shareholders with a fair value for their produce. SFPOL aims to help the farming community in achieving a sense of ownership towards the development interventions carried out. It seeks to work towards the accumulation of capital and resource mobilization for institutional growth, ease of access to government schemes, gender equality and other social benefits for farmers.

SEEDS FPOL has an expert procurement team that procures high-quality, pesticide-free produce from farmers. The primary advantage of direct procurement is that the produce is weighed in the presence of the farmers, assuring them accurate quantity. On-the-spot payments are made and there is zero transportation cost for the farmers. Middlemen are also eliminated, helping the farmers avail the right price for their produce without commission or other charges. It substantially reduces the expenditure of the farmers by at least 20-25% thereby increasing their profits. SFPOL has established itself as a model project in the district, specially in the area of collecting produce from farmers and undertaking primary processing like drying, cleaning, de-stoning, polishing, sorting and grading. The products are then packed to curtail the damages from storage pests. The FPO has also established a 500 MT capacity warehouse to store the procured produce. These activities are undertaken at the value addition centre with the support of the state government with business development assistance from NABARD.

It has also set up Agri Tool Banks in the villages which rent out farm machinery to farmers at nominal cost. It has also ventured into secondary processing of the produce by processing coriander and chilli into masala powder and establishing a dedicated centre for preparing ready-to-cook dosa and idli batter. All the value-added products are sold under the brand name of SEEDS AGRO and marketed to bulk buyers, agriculture business centres, and markets, locally and across the country.

The FPO has formed various committees for smooth management of its affairs. During COVID, the FPO also delivered essential grocery items at the doorstep of families.

## Capacity Building and Innovation

The FPO pays special attention to building the capacities of its shareholders and has provided orientation on the basic concept of FPO, its advantages and functioning. Their members have also been provided with training at regular intervals on advanced agri-technologies and innovations, by experts from research institutions. Exposure visits are also a crucial component of capacity building interventions. The shareholders are provided with exposure visit opportunities to facilitate learning. It also invites members of other FPOs for cross-learning.

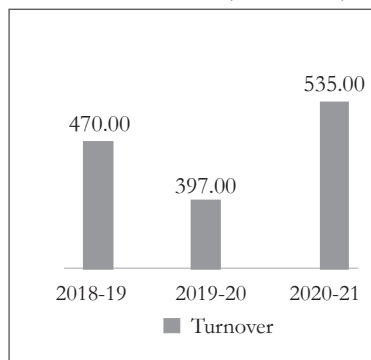
and sharing of knowledge on successful interventions. SFPOL has also guided several FPOs in setting up their business. Apart from training the members, SFPOL has also been hosting student interns from agricultural and educational institutions. Around 23 batches of FPO members and 40 student interns have visited and been trained at SEEDS.

## Financial Performance

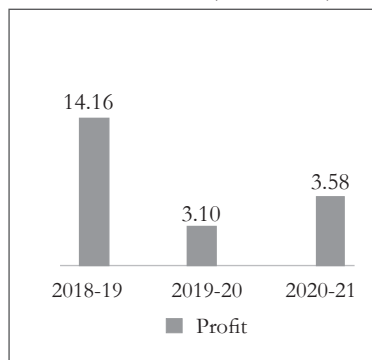
(Figures in Lakhs)

Financial Year	Revenue/Turn-over (INR)	Profit (Loss) (INR)
2020-21	535.00	+ 3.58
2019-20	397.00	+ 3.10
2018-19	470.00	+ 14.16

Revenue/ Turn-over (INR Lakhs)



Net Profit /Loss (INR Lakhs)



## Key Achievements



Winner of the **Best Social Entrepreneur Award** by Hand-In-Hand Global Social Entrepreneurship Programme ME-GSEP 2016



**First prize for excellent performance** among FPOs under the PRODUCE Fund by NABARD, 2018.



**Best FPO Award by FICCI's Naveena Vivasayam**, 2019 in Tamil Nadu



**Rural Haats are regularly conducted** every Friday where fresh vegetables and fruits are sold directly to customers. Farmers from 25 villages participate in these and the events witness average footfall of 1,500 people.



**Farmers Mart has been set up** where farmers get to buy fresh produce from other farmers. They get to save at least 20% on their spending on groceries and additionally get the benefit of hygienic unadulterated produce.



**Village Knowledge Centre operated** by SEEDS is a unique concept that has benefited the farmer community by helping them to access information on the latest agri-technologies, weather forecasts, and other technical details.



# SUSAG Millet Producer Company

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## Overview

Susag Millet Producer Company (SMPC) has carved a niche for itself in livelihood enhancement and women empowerment as a successful woman-run institution primarily engaged in the cultivation of millets. It is a unique FPO operating with 100% women members and is operational in Pedabayalu and Anakapalle Mandals of Visakhapatnam district of Andhra Pradesh. A role model in millet cultivation, the FPO was formed to provide better livelihood opportunities for its members in the production, processing and marketing of millets. The FPO was formed through the efforts of Sarada Valley Development Samithi (SVDS), an NGO working towards women empowerment with support from NABARD.

SVDS has been instrumental in the formation of the Millet Sisters Brigade, with women millet farmers at the forefront of promoting millet cultivation adopting organic methods. It provided training to these women on the health and ecological benefits of millet consumption, multi-cropping and adopting organic farming methods. The NGO encourages millet sisters to prioritise their consumption needs and market only their surplus produce.

However, there was a need to expand and sustain these collectivization efforts with institution building, infrastructure, and developing unique value-added products and this ultimately led to the formation of SPMC. The institution was incorporated in February 2016 and is operated with the contribution of women farmer's groups, and it is better known locally as Millet Sisters. It has a membership of 960 women farmers and a share capital of INR 12.3 Lakhs. The FPO has laid a strong institutional foundation that works on the principles of democracy, teamwork and shared responsibilities.

## FPO at a Glance

<b>Date of Registration</b>	February 10, 2016
<b>Registration Details</b>	Registered under Companies Act 2013
<b>Registered Address</b>	SHRDC Building, Ground Floor, Chodavaram Road, Mamidipalem Village, Anakapalli Mandal, Visakhapatnam District-531032
<b>Operational Area</b>	Pedabayalu and Anakapalle Mandals of Visakhapatnam District
<b>Crops Cultivated</b>	Millets, Pulses, Turmeric, Black Pepper, Tamarind, Jackfruit
<b>Number of Shareholders</b>	960
<b>Total Share Capital</b>	INR 12,30,000

## Business Operations

Susag Millets Producer Company has been working towards the revival of millets through natural farming, increased local consumption and marketing of surplus produce at higher profits. It has strengthened the implementation of the traditional mixed cropping system and this has helped in increasing productivity in a sustainable manner.

The FPO produces foxtail millet, finger millet, little millet, pearl millet, jowar, kodo, proso, barnyard, and brown top varieties of millets. In addition to millets, the FPO also deals in pulses, turmeric, black pepper, tamarind and jackfruit.

## Procurement, Storage and Processing

The FPO has formed specific committees for carrying out different functions that have helped optimize capabilities and improve operational efficiency. It has resulted in well-coordinated efforts from the procurement, processing, and marketing committees that undertake village-level procurement through field staff. Procurement and marketing efforts were further strengthened when NABARD donated a vehicle to carry out door-to-door procurement and sales. For procurement, the produce is assessed based on parameters like grade, quality, moisture content, marketability and potential post-

harvest challenges. The FPO stores its procured millets, pulses, pepper, turmeric, tamarind and flour in a warehouse with 10 MT capacity and a cold storage with 10 MT capacity.

## Value Addition

With financial assistance from NABARD, the FPO set up a millet processing unit that is used to produce millets and millet-based products through value addition. It has also collaborated with Visakha Millets, another FPO promoted by the Indian Institute of Millets Research (IIMR) for the analysis and certification of millets. The processing operations have been a novel initiative for the region and significantly helped in the development of quality produce.

Type of Millet	Value added Products
Foxtail Millet	Foxtail Millet Vermicelli, Foxtail Millet Cake, Foxtail Millet Biscuits, Foxtail Millet/Korra Ariselu, Foxtail Millet Instant Dosa Mix, Foxtail Millet Instant Khichdi Mix
Finger Millet	Finger Millet Vermicelli, Finger Millet Cake, Finger Millet Biscuits, Finger Millet Instant Dosa Mix
Proso Millet	Proso Millet Vermicelli, Proso Millet Instant Dosa Mix, Proso Millet Instant Khichdi Mix
Kodo Millet	Kodo Millet Instant Dosa Mix
Little Millet	Little Millet Instant Dosa Mix, Little Millet Instant Khichdi Mix
Pearl Millet	Pearl Millet & Nuts Laddu, Pearl Millet Instant Dosa Mix
Jowar/Sorghum	Jowar/Sorghum Millet Cake, Jowar/Sorghum Millet Biscuits, Jowar Burfi, Jowar/Sorghum Instant Dosa Mix, Jowar/Sorghum Millet Vermicelli
Mixed Ingredients	Multi Millet Instant Dosa Mix, Multi Millet Cake, Multi Millet Biscuits, Nutria Mix, Multi Millet Soup Mix, Multi Millet Flour, Multi Millet Laddu, Multi Millet Instant Khichdi Mix, Multi Millet Vermicelli

## Packaging and Marketing

The FPO focuses on selling products marked by good and clean packaging. It has customers across the country including in and around Visakhapatnam, Guntur, Vijayawada, Hyderabad and New Delhi.

The FPO regularly participates in national-level exhibitions with the support of NABARD. Mobile marketing initiatives are undertaken for advertising and sale of products. The mobile marketing van comes with a back container that includes an internal movable patterning system.

## Capacity Building & Knowledge Management

Capacity building is one of the core activities that SPMC has invested in. Knowledge dissemination, field-level exposure and stakeholder meetings have enabled each member of the FPO to understand their roles and responsibilities and gain ownership. In addition to the procurement, processing and marketing committees, there are financial mobilization and social audit committees that support the FPO in developing its business strategies.

Village level awareness meetings are held to understand and assess situations to bring about improvement in overall productivity. Farmer Producer Group meetings are held to discuss important aspects such as the aggregation of produce, supply of seeds, handholding support, marketing linkages, sustainable livelihood approaches, Zero Budget Natural Farming (ZBNF) and overall planning.

The FPO is frequently visited by representatives from organizations engaged in farming, financial institutions, government departments and also research scholars and students, making it one of the most sought-after knowledge hubs in the area of millet cultivation.

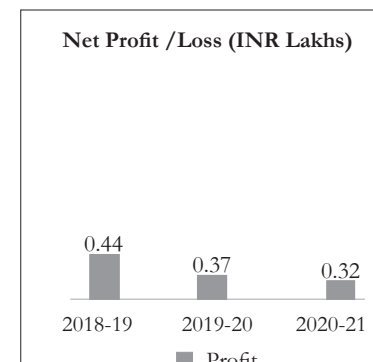
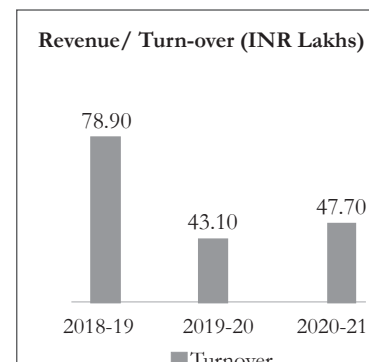
## Convergence with Government Departments

The FPO has engaged with several government institutions for skill development, upscaling, and technological interventions since its inception. It has partnered with regional institutions like Rythu Sadhikara Samstha (RySS) and the Andhra Pradesh Integrated Irrigation and Agriculture Transformation Project (APIIATP) for technology transfer and development and utilization of local spring water. The FPO has also collaborated with NABARD for Participatory Guarantee System (PGS) certification programme, with Horticulture Department for constructing a collection centre, and with Krishi Vigyan Kendra (KVK) and Indian Agricultural Research Institute for millet seed and other demonstration plots.

## Financial Performance

(Figures in Lakhs)

Financial Year	Revenue/Turn-over (INR)	Profit (Loss) (INR)
2020-21	47.70	+ 0.32
2019-20	43.10	+ 0.37
2018-19	78.90	+ 0.44



## Key Achievements



**First prize in the category of Vijayalakshmi Das Friend of Women FPO in 2021** by ACCESS Development Services along with a cash prize of INR 1 Lakh.



**Second prize in the category of Best Women FPO award in 2022** from NABARD along with a cash prize of INR 30,000.



**Around 80% of cultivation done by using organic methods.**



**At least 15 small-scale start-ups are operating by selling millet-based value-added products locally**, fetching each group a monthly income of INR 20,000.



**Millet Sisters are getting around INR 10-15 per kg:** more than the actual market price on their produce.



Owing to adoption of models like Pre-Monsoon Dry Sowing (PMDS), **Millet Sisters are earning from multiple crops and harvests.**

## Kamareddy Progressive Farmers Producer Company Limited

### Overview

Kamareddy Progressive Farmers Producer Company Limited (Kamareddy FPO) has been incubated in Kamareddy district of the state of Telangana. The FPO was incorporated in December 2009 and is operational in a geography encompassing more than 100 villages across eight blocks of Kamareddy and Nizamabad Districts. The district falls in the Deccan Plateau agro-ecological region that experiences average rainfall of about 800 mm. About 85% of rains are received from the South-West Monsoon, between June and September. Approximately 25% of land area in the district is irrigated, with more than 80% of it coming from borewells and open-wells. Key crops that the FPO deals in are soybean, maize, paddy, cotton, and bengal-gram. The total shareholder strength is 2,322 members with a paid-up capital of INR 61.8 lakhs and another INR 9.36 lakhs capital received from Small Farmers' Agri-Business Consortium (SFAC).

### Business Operations

The economy of the area is primarily dependant on agriculture with close to 75% of the workforce engaged in farming, either as cultivators or as agricultural labourers. Although the FPO was incorporated in the financial year (FY) of 2009-10, it started conducting meaningful business only in 2015-16 when the governing body members came together to initiate business operations more actively. They initially started at a small scale with the sale of seeds and fertilizers that they purchased from the local distributors and sold to their members at a small discount. Since then, the overall operations have expanded exponentially. From a very early stage, the FPO has focussed on diversifying its activities. This has helped it spread its risks and avoid incurring loss. This diversification of business is however largely vertical in nature, i.e. with inter-connected business lines, and hence does not cause dissipation of energies in managing divergent activities.



The FPO today operates across the value chain, from providing seeds to farmers to providing market linkages for their produce. The business is well-balanced between these activities with each level of the value chain contributing significantly to the turnover and profits. The agri-input business has consistently provided 30-35% of the total turnover of the FPO, while the farm mechanization business, the most recent diversification, contributes about 8% of the turnover. Other activities such as micro-irrigation services and marketing of produce are also key contributors to the business.

The FPO has also been an early mover in leveraging various opportunities from the state government. For instance, the FPO took advantage of the subsidy on farm machinery from the Agriculture Department to invest in Combine Harvesters. Similarly, a collaboration with the Telangana State Seed Corporation was made to distribute high-quality seeds and also engage farmers in its production. In FY 2017-18, the Government of Telangana decided to award MSP Centers for Paddy to FPOs, and the Kamareddy FPO was amongst the first to seize this opportunity. Since then, Kamareddy has run MSP Centers for Paddy for the government for five years continuously and has been among the best performers in the district in terms of volumes of paddy procured. In FY 2020-21, the FPO collaborated with the State government to promote superfine varieties of paddy among its farmers in a bid to shift them from the coarser and low-value varieties they had been cultivating. The FPO's engagement into MSP procurement of paddy and other crops is another example of how they made the most of opportunities. In FY 2021-22, the FPO procured close to 40,000 quintals of paddy with a value of INR 7.7 Crores. The FPO also ran an MSP Center for Maize in FY 2020-21 and an MSP Center for Sorghum in FY 2021-22.

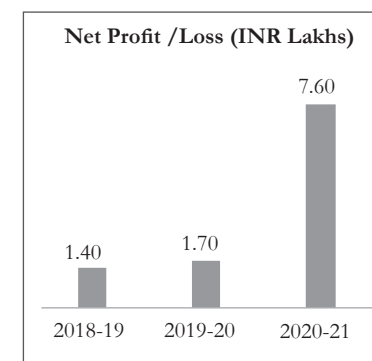
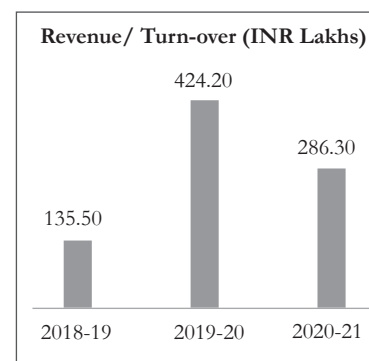
Over the years, the FPO's Board has emerged as one of its strongest pillars. The Board has been functioning independently and its members have emerged as informed decision-makers. This has helped the FPO make meaningful investments over the years and reap maximum benefits. For instance, investing in combine harvesters, a decision proactively taken by the Board, enabled them to initiate rental services that today earns them the highest profit margins and contributes to 7-8% of the annual revenue of the FPO. The Board also leads the charge in marketing as well as negotiating business, providing internal dynamism to the FPO's operations.

## Financial Performance

In the year 2015-16, Kamareddy FPO had a turnover of INR 1.4 Lakhs. Since then, the FPO has grown in leaps and bounds. By 2020-21, the FPO's turnover had grown over 200 times as compare to their FY 2015-16 turnover. The FPO's net profits during the period have also strengthened significantly, growing from INR 30,000 in FY 2015-16 to INR 1.2 Lakhs in FY 2020-21. During this period the FPO also diversified into multiple businesses, acquired assets, won several awards, and in general emerged as one of the strongest performers in South India. The following graphs depicts the FPO's turnover and net profits over the years since its inception.

(Figures in Lakhs)

Financial Year	Revenue/Turn-over (INR)	Profit/Loss (INR)
2020-21	286.30	+ 7.60
2019-20	424.20	+ 1.70
2018-19	135.50	+ 1.40



## Linkages for Resource Support, Mechanization and Other Initiatives

The FPO has established linkages with various government and private entities. It also runs two MSP Procurement Centres, the Telangana Markfed (for maize) and the Telangana Civil Supplies Department (for paddy). Major finance partners include NABKISAN and SFAC.

## Key Market Partners

Partner	Product
Reliance Retail	Paddy
NCDEX	Turmeric
Suguna Feeds	Maize
Sneha Feeds	Maize
Vencob Feeds	Maize
IFFCO Kisan	Soyabean
Chelemeda Feeds	Maize
Telangana State Seed Corporation	Paddy Seeds
Mahindra EPC Ltd	Drips and Sprinklers
Samunnati Agro Solutions	Soyabean
Novel Tech	Maize
KJL feeds	Maize

The FPO is a recognized seed distribution agency for Telangana State Seed Corporation, providing quality seeds of paddy and chickpea at subsidized rates at the farmer's doorstep.

India is at the cusp of a technological revolution in agriculture, and the FPO is keen on being at the forefront of the same. The FPO has collaborated with players such as Mahindra to conduct demonstrations of latest technologies like deployment of drones for spraying pesticides, mechanized paddy transplanting machines, etc.

The FPO has also been able to generate assets and owns two combine harvesters (56 HP; tractor-mounted), Dal Mill (2 HP), and a retail shop. The company also owns three land parcels in Lingampally, Karakwadi, and Vajjapally that are used for grading and sorting of produce.

## Key Achievements



**Won the best performer award** under the 'Promotion of Mechanization' category and prize money of INR 11,000/- for 2021. The event was organized by E-Krishi alert, a prominent agriculture digital magazine, and sponsored by Apollo Tyres.



The **FPO's growth story and their venture** into future trading were covered in the year 2020 by NCDEX in their online publication 'Kheti ke Sikandar'



**Won the Economic Times-Samunnati FPO Awards for Best Performing FPO** in the South region in the year 2019.



In collaboration with Reliance Foundation, the FPO **hosted a visit by media personnel from various prominent media houses** in the year 2019. The FPO's story was covered in many national and state level publications such as Business India, Financial Express, and ETV.



In 2018, the FPO **received an appreciation certificate from the District Collector** for providing multiple services to farmers in the district. The FPO also received a grant of INR 50,000 from the District Collector in the same year.

# Erode Precision Farm Producer Company Limited

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## Overview

Erode Precision Farm Producer Company Limited (EPFPOL), located in Sivagiri panchayat of Erode district, Tamil Nadu has been a pioneer FPO in the country, in promoting participatory farming and collective marketing. It was set up by the farmers of Kodumudi and Modakurichi blocks of Erode district. The company was incorporated in October 2008 with a hope to inculcate entrepreneurial skills and capabilities in the farmers.

The FPO has its genesis in the Precision Farm Project being implemented by Tamil Nadu Agricultural University in 370 acres, in which 50 shareholder-farmers were initially engaged. In order to sustain the improved productivity levels through supply of quality inputs and adoption of innovative technologies, the idea of setting up an FPO was conceptualised. The company was incorporated in October 2008 with an aspiration to inculcate entrepreneurial skills and capabilities among its member farmers. By 2015, the number of shareholders had increased to 250 with and paid up share capital of INR 94 Lakhs against an authorized share capital of INR 95 Lakhs. At present the FPO has 640 members and a paid-up share capital of INR 150 Lakhs.

## Business Operations

EPFPOL strongly believes that agriculture cannot be limited to crop production alone but needs to encompass associated areas like food supply-chain, health-care and ecosystem sustainability. The FPO is managed by a Board of Directors (BoD) comprising of member farmers that bring on board a diverse set of expertise. The BoD has instituted a participatory work culture and the FPO maintains total transparency in administration. Since its inception, the share value has gone up 20 times the face value.

**Agro-Service Centre** - EPFPOL has been running an Agro-Service Centre which was started with an investment of INR 1.2 Crores. The Centre organizes exposure visits to trade fairs and farms of special significance in Tamil Nadu, Andhra Pradesh, Telangana, and Kerala. It also serves as a training centre for FPOs who plan to initiate agri-input business. Services include providing hands-on training on inventory management, financial management, the double-entry system and agro-advisory. As many as twelve FPOs have embarked upon agri-input business with training and business support from EPFPOL. The benefits of various schemes of the Departments of Agriculture, Horticulture, Animal Husbandry and Rural Development and Coconut Development Board, Spices Board and Coir Board have been dovetailed for benefiting its shareholders. Seeds and plants are also imported for supplying to State Departments and farmers. At present, the Centre has dealerships with 15 reputed companies for supplying high-quality plant protection chemicals, micro-nutrients, plant growth regulators, weedicides, seeds, and drip materials. Both organic and inorganic inputs are marketed by the Centre.

**Kisan Seva Kendra (KSK)** – Fuel being a vital input in agriculture, EPFPOL has also set up a fuel outlet with an investment of INR 50 Lakhs with an objective to provide quality fuel to the farming community ensuring long engine life and reduced maintenance costs. The venture was started with the support of Indian Oil Corporation. The KSK has also been selling farm tools and implements. There was a spurt in sales owing to the purity of the fuel and the effective service provided by staff.

**Farmers' Supermarket for Non-Toxic Food Production** – The concept of Farmers' Supermarket was developed to collectively undertake retail marketing of the products manufactured by multiple FPOs. Around 12 FPOs from across Tamil Nadu are part of this network. One FPO serves as dealer for another, creating a win-win situation for all the FPOs. The raw materials are sourced from member farmers and products are manufactured for sale through these Farmers' Supermarkets. The

products manufactured have gained a positive reputation for their non-toxic nature and have been well received by consumers. The center also serves as a training ground for FPOs who require hands-on training in retail marketing. EPFPOL has also set up its branches in Coimbatore and Chennai. Resource Institution – EPFPOL was been empanelled.

**Resource Institution** – EPFPOL was been empanelled as a Resource Institution by SFAC, GoI in FY 2013-14 and has been functioning in this role since. So far 107 FPOs have been incorporated and effectively trained to commence farming business. One of the FPOs, the TN Banana Producer Company Ltd. has been selling value-added products made from bananas on popular e-commerce platforms like Amazon. The Ayakudi Guava FPO has been exporting 3 MT of guava daily to Gulf countries, restoring the farm-gate price to INR 50 per kg against INR 15 per kg as was common in pre-FPO times. As a Resource Institution, EPFPOL has been supporting all FPOs in marketing of the products and also to avail grants from both state and central governments. A training facility has also been set up which includes A/C training hall, dormitory and a repository of knowledge resource materials.

**Seed Processing Unit** – EPFPOL has established a Seed Processing Unit with the grant support of INR 60 Lakhs under the Seed Mission Project of GoI, implemented through the Department of Agricultural Marketing and Agri-Business. The paddy varieties ADT 43, ADT 45, ADT (R) 46, TKM 13, CR 1009, CO 43, and Bhavani are under certification by the Seed Certification Department. Apart from seed production, the harvested produce of farmers is collected for cleaning and sorting before marketing. The seed processing is carried out for 150 days a year, but the infrastructure is used round the year for cleaning and grading farm produce like paddy, gingelly, groundnut and pulses.



## Primary Processing Centre for Fruits and Vegetables

– The Government of Tamil Nadu has established infrastructure for the primary processing of fruits and vegetables at a cost of INR 5 Crores at Palani in Dindigul district. EPFPOL has been appointed to run and manage the Centre as Market Integration Partner (MIP). EPFPOL has authorized three FPOs as Market Operating Partners for undertaking cluster-level production and maintaining the supply chain. Already many institutions have enlisted as buyers and many more are expected to enlist. Besides this, EPFPOL has networked with another 64 primary processing centres (PPC) units established across the State for mutual trading.

**Integrated Coconut Processing Centre** – This Centre has been established with the grant support of INR 30 Lakhs from the Department of Agricultural Marketing and Agri-Business, Govt. of Tamil Nadu under a World Bank supported project (TN Irrigated Agriculture Modernization Project). The total project cost is INR 85 Lakhs and the products envisaged for production and marketing are copra, activated charcoal, coconut oil and virgin coconut oil. The plant and machinery installation is in progress.

**Krishi Business Kendra** – EPFPOL along with Tamil Nadu Consortium of Farmer Producer Company Ltd. (Tamil Nadu State Apex FPO) have established 'Krishi Business Kendra', an innovative institutional mechanism to generate Master Farmers with business or entrepreneurial skills. The existing peasant-centric farming system is being replaced with a group farming system operationalised through a network of FPOs, PGs, FIGs, etc. Krishi Business Kendra is mandated to undertake market-driven agriculture with focus on supply chain management, buyer-seller direct engagement, food safety and traceability, and a production certification system.

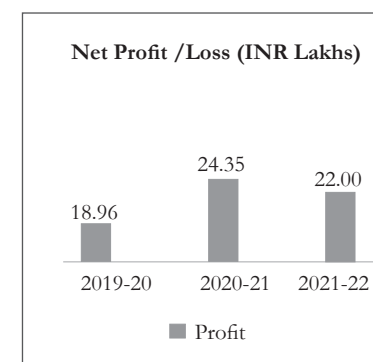
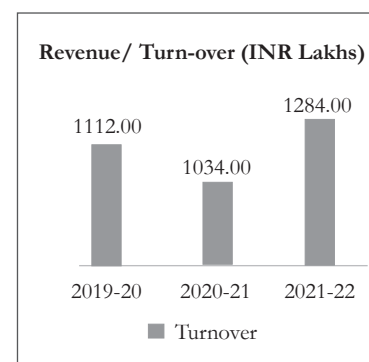
## Financial Performance

The turnover of EPFPOL in 2013 was INR 9 Crores which increased to INR 11.12 Crores in FY 2019-20 and INR 12.84 Crores in FY 2021-22. The profit in FY 2019-20 was INR 18.96 Lakhs and increased to INR 22 Lakhs in FY 2021-22.

(Figures in Lakhs)

Financial Year	Revenue/Turn-over (INR)	Profit (Loss) (INR)
2021-22	1284.00	+ 22.00
2020-21	1034.00	+ 24.35
2019-20	1112.00	+ 18.96

*\*After investing in additional infrastructure worth INR 6.76 Crores land and building)*



## SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Transparency in budget management; the primary agenda during every BoD meet is discussion on financial statement of previous month.</li> <li>▪ Sharing of responsibilities among BoDs to manage various business activities</li> <li>▪ Continuous trainings to BoDs on latest development in FPO domain</li> <li>▪ Exposure visits of BoDs to Trade Fairs</li> <li>▪ Sharing of profit with members</li> </ul>	<ul style="list-style-type: none"> <li>▪ Low adoption of Digital Marketing system (e NAM &amp; NeML)</li> <li>▪ Number of active farmers is comparatively less</li> <li>▪ Export possibilities are yet to be explored</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ Scope to become manufacturer of agri-inputs</li> <li>▪ Possibility for pan-India FPO market network</li> <li>▪ Commodity based FPO federations at regional level</li> <li>▪ Incubation of FPOs promoted to undertake scaled up business</li> </ul>	<ul style="list-style-type: none"> <li>▪ Many corporates in manufacturing sector view FPOs as competitor</li> <li>▪ Too much credit to infant FPOs leading to financial chaos</li> <li>▪ Political interference in FPO management domain</li> </ul>

## Key Achievements



Won the **Best Governance Award** 2020-21 by Tamil Nadu State Government



**Award from companies** like Bayer Crop Science, Rich BioTech, United Phosphorus Limited (UPL) and Indian Oil Corporation Limited (IOCL)



**Appreciated by Small Farmers Agri-Business Consortium (SFAC)** for providing support for the event on 'Launching 10000 FPOs' at Chitrakoot, Uttar Pradesh in the year 2020