

EMPOWERING FARMERS WITH FPO'S: A STEP TOWARDS CLIMATE SMART FARMING

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FPO information:

Name of FPO	SRI LAKSHMI NARASIMHA SWAMY FPO MACS Ltd, MADDIKERA
Incorporation Date	12/12/2021
State	ANDHRA PRADESH
District	KURNOOL
Block	MADDIKERA
Allocation Category	MADDIKERA
ClusterBasedBusinessOrganizations (CBBO)	KRISHI VIGYAN KENDRA, BANAVASI, KURNOOL (Dt)
Implementing Agency	NCDC
Shareholder Farmers (Nos)	750
Share Capital Mobilized (INR-Lakh)	15 Lakhs
Matching Equity Grant (INR-Lakh)	15 Lakhs
Business Activities (Summary)	Input business: Fertilizers and agricultural implements Output business: Red gram (50q), Bajra (500q), Groundnut (28q) and Bengal gram (200q)
Board of Directors	Male: 10 Female: 05

KVK, Banavasi as CBBO conducted baseline survey in allotted block Maddikera under “One District One product”. After critical analysis of the data and several awareness meetings, cluster of 5 villages from Maddikera block brought together and formed a Sri Lakshmi Narasimha Swamy FPO with 750 farmers with a share capital of Rs.1100/-. 750 member farmers from 5villages of Maddikera block were mobilized to form Sri Lakshmi Narasimha Swamy FPO with a share capital of Rs.1100/-, we have submitted application for an equity grant and received an amount of Rs.15.00 lakhs for FPO and Rs.12.00 lakhs for each FPO in the form of Management cost from NCDC. For mobilization of farmers conducted awareness meetings at Village and Mandal level in coordination with Agriculture department officials and village representatives and also conducted focused group meetings with village representatives and other society and SHG. District cooperative was very cooperative, submitted documents relevant to registration after knowing procedures. Business activity of the FPO started in the year 2022including input business: Fertilizers and agricultural implements and output business: Red gram, Bajra, Groundnut and Bengal gram seeds. Due to input-output business plan and technical support provided from KVK total business turnover of Sri Lakshmi Narasimha Swamy FPO increased from Rs.15.00 lakhs to 93.00 lakhs over a three-year period.

S. No	Year	Red gram (Quantity sold)	Bengal gram (Quantity sold)	Bajra (Quantity sold)
1	2022-23	34.32 q	44 q	65 q
2	2023-24	447 q	142 q	270 q
3	2024-25	510 q	180 q	350 q

KVK, Banavasi held orientation meeting on FPO formation in above mandals on 13.07.2021, 14.07.2021 and 19.08.2021 and conducted group discussions and completed all stages of group formation like forming, storming, norming and performing. Farmer members' mobilization activities were carried out during September and October months for both the FPOs.

Background

Major crops grown in this area are red gram, groundnut, bajra and Bengal gram. Total irrigated area in this village is 94.7 hectares and Boreholes/ Tube wells is the source of irrigation. Peravali, basinepalli, Yedavalli, hampa, M. agraharam, maddikera, gurujula, bommanapalli, kothapalli were covered. Total population in this area is 15328. Female Population is 49.1%. Total Literacy rate- 55.6%. Working Population is 48.1%. Majority of the farmers in this area belongs to Scheduled Caste Population covering about 12.6 % (1938 No's) and remaining belongs to Scheduled Tribes 1.5 % (231 No's).

Socio-economic conditions/Indicator of the farmers

- **Income:** Majority of the farmers in this area have low levels of income 2-2.5 lakhs
- **Education:** Majority of the farmers in this area have low levels of education. 60% of them were illiterate.
- **Access to credit:** Farmers may have limited access to institutional sources of finance.
- **Land ownership:** Farmers may have small and marginal land holdings
- **Family size:** Farmers may have nuclear families with fewer than five members.
- **Occupation:** Farmers were involved in agriculture and some part of them depend on both agriculture and livestock activities.

Focus Areas

Majority of the FPO members cultivates crops like redgram, bengal gram, groundnut and bajra. FPO members were involved in value addition of groundnut (Chikki, groundnut oil and salted peanuts) and bajra (biscuits) and planning to do processing of dal (red gram and bengal gram).

Strategic Interventions undertaken for creating

- Domain experts engaged in various domains comprising Social Mobilization, Agriculture, IT, Accounting and Marketing.
- Monthly capacity building programs organized to FPO board of directors, staff and member farmers
- KVK BANAVASI as CBBO offered extension and advisory services on new crop varieties, production and protection technologies, weather forecast, improved crop management practice, market information, government schemes through KisanSarathi platform, a technical platform used for delivery of personalised advisories through KVKs.
- KVK Banavasi as CBBO develop their skill sets ranging from situation analysis, budgeting, business

planning to digital finance literacy, developing agribusiness strategies, working on value addition for agricultural products.

- Matching equity grant was used for input and output business: seeds, fertilizers, pesticides and agricultural implements.

Business Model

a) Value Proposition of FPO (Processing, Value addition, warehouses, etc) (Photos/videos of processing units/ infrastructure developed)

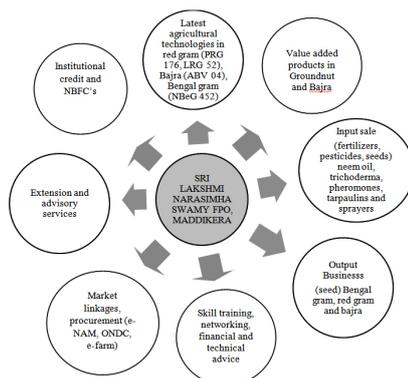
- Majority of the FPO members cultivates crops likes redgram, bengal gram, groundnut and bajra. FPO members planning todo value addition in groundnut (Chikkiand salted peanuts), groundnut oil, bajra (biscuits) and processing of dal (red gram and Bengal gram).
- Constructed two collections centres with financial support of Rs. 23 lakhs from Department of Horticulture under MIDH scheme



Key Activities of FPO

- Awareness programmes /trainings undertaken for BoDs/members
- Exposure visits undertaken for BoDs/members
- Institutional Trainings provided to CEOs/BoDs
- Interface meetings (with stakeholders like various Government Departments, Financial Institutions, Training, Research and Development Institutions at the cluster level) were conducted.

b) FPO product portfolio



c) Key Partnerships with potential buyer, government institution and service providers.

- FPO have Pesticide, fertilizer, seeds, e-NAM license, FSSAI license, ONDC, onboarded FPOs on DigitalSeva Portal to become FPOs a VLE (Village Level Entrepreneur).
- Established market linkage and registered FPOs with e-FARM App of digital green for marketing of agricultural products produced by FPO.
- Met short term credit needs from NBFCs.

d) Access to Finance

Under Sammunati (NBFC), FPO received Rs.5 lakhs in the year 2023-24 for expansion of business, later Rs.25 lakhs will be granted.

e) Customer Segmentation and Marketing channels (through E-commerce or Offline)

- **Local advertising:** FPOs can utilize posters and hoardings to promote their products.
- **APMC Markets:** FPOs can sell their products at Agricultural Produce Market Committee (APMC) markets.
- **Local Traders:** FPOs have the option to sell their products directly to local traders.
- **Melas and Exhibitions:** FPOs can showcase and promote their products at melas and exhibitions.
- **Public Officials:** FPOs can invite public officials for office visits or virtual meetings to build connections.

f) Market outreach

Facilitated market linkages and registered FPOs on the e-FARM App by Digital Green to enhance the marketing of agricultural products produced by FPOs.

Success Mantra

- **Business turnover and Net operating Profit (Financial Year wise)**

S.NO	Year	Business turnover	Net operating Profit
1	2022-23	Rs.1614010	Rs.41000
2	2023-24	Rs.11772590	Rs.150590
3	2024-25	Rs.13373247	Rs.327513

- **Number of farmers benefitted**

By the FPO business, about 650 farmers were benefitted in the FPO operational area.

Impact - change in income/productivity/cost effectiveness etc.

1. Bajra

- **Change in income:** An increase of Rs.5400/acre

- **Cost effectiveness:** Cost of cultivation reduced by Rs.3030/acre due to reduction in usage of chemical fertilizers and pesticides.
- **Productivity:** Increase of 2q/acre due to adoption of best practices.

2. Bengal gram

- **Change in income:** An increase of Rs.9600/acre
- **Cost effectiveness:** Cost of cultivation reduced by Rs.6820/acre due to adoption of latest high yielding varieties (NBeG452)
- **Productivity:** Increase of 2q/acre due to adoption of best practices.

3. Red gram

- **Change in income:** An increase of Rs.14400/acre
- **Cost effectiveness:** Cost of cultivation reduced by Rs.7800/acre towards purchase of fertilizers and pesticides.
- **Productivity:** Increase of 1.80q/acre due to adoption of best practices.
- **Quote from the farmers benefited through interventions undertaken**

Working together for strengthening farmer’s purchasing power and support to farmers with end-end services covering all aspects of cultivation.

Recognition

- Formed a Whatsapp group under the name of FPO registered with 750 members.

Participation of the FPO in mela/exhibitions

- Agritech: 2022 at ANGRAU, Lam, Guntur.
- KisanMela at RARS, Nandyal.
- FPO mela held at Vijayawada.
- Agrighar, Hyderabad



Fig: Agri tech exhibition at Guntur



Fig: Kisanmela at RARS, Nandyal

Way forward

- **Futurestrategy to scale / Diversify the Business**
 - Dal Mill (Redgram and Bengalgram)
 - Oil Mill
 - Multicrop Thresher
 - Millet processing plant

