

Success Sutras of Strengthening Tribal Livelihoods –A case of Lambasingi Tribal Producer Company

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Abstract

Agriculture has been a fundamental driver of economic growth and development throughout history, particularly in India, where it continues to provide livelihoods for approximately 60% of the population. Despite an increase in food grain production, farmers face numerous challenges such as limited land holdings, difficulty accessing credit, outdated farming techniques, and issues with market access and price volatility. The Lambasingi Tribal Products Farmer Producer Company Limited (LTPFPC) is a prime example of an FPO that has empowered farmers in the Lambasingi region of Andhra Pradesh. Established in 2021 with the technical guidance of ICAR-IIMR and financial support from NABARD, LTPFPC has successfully brought together 754 farmers across 14 villages to enhance productivity, improve market access, and ensure fair prices for their produce. Key strategies of LTPFPC include distributing quality inputs, improving market linkages, providing financial support, value addition, and focusing on the empowerment of marginalized groups, particularly women. With increased income, productivity, and reduced costs for farmers, the FPO has demonstrated significant success in transforming the livelihoods of its members. Moving forward, LTPFPC plans to expand its reach through enhanced branding and new outlets, while further promoting sustainable farming practices and millet-based products. The success of LTPFPC underscores the potential of FPOs in fostering economic resilience and promoting sustainable agricultural development. This study serves as an insightful example of how collective action, market integration, business activities, adoption of new technologies and capacity-building can transform the lives of smallholder farmers in vulnerable regions, ultimately contributing to rural development and sustainability

Keywords: Tribals, Technology, Challenges, Lamabsingi, Empowerment

Introduction

Agriculture growth throughout global history has been the progenitor of broad-based economic growth and development. Agriculture remaining as the primary source of livelihood for about 60 percent of India's population, production of food grains has been increasing every year and is among the top producers of several crops. While agricultural output is on the rise, farmers encounter various challenges that affect their livelihoods which includes limited land holdings, difficulties in obtaining credit, inadequate business planning, outdated farming methods, issues with accessing markets and coping with price fluctuations, inadequate storage and post-harvest facilities, lack of processing facilities, and a lack of training etc. Sustainable agriculture seeks to balance the needs of current and future generations by minimizing negative impacts on the environment, promoting economic stability for farmers, and supporting the well-being of rural communities. To tackle the challenges faced by small and marginal farmers, the Indian government has been promoting a new form of collective known as Farmer Producer Organisations (FPOs). The Alagh Committee report (GOI, 2000) highlighted that producer collectives are now widely regarded as one of the most effective strategies for

reducing agricultural risk and improving small and marginal producers' access to capital, technology, and markets. There are now thousands of FPOs across the country, registered under various legal frameworks, including cooperative laws, trusts, federations, and more recently, producer companies under the Companies Act. The Small Farmer Agribusiness Consortium (SFAC)'s primary objective is to enhance the productivity of small and marginal farmers, add value, and establish effective links between producers and markets. To achieve this, SFAC has initiated a program with the support of the Department of Agriculture and Cooperation (DAC) to set up farmer producer organizations across the country. In partnership with NABARD Consultancy Services, SFAC is facilitating this process by offering extensive training for Rural Institutions (RIs), developing toolkits and other materials, and monitoring the institution-building efforts.

Farmer Producer Organisations are collectives of rural producers who come together to form organizations, work towards common goals that benefit their members, engage in economic and technical activities to support their members, and maintain relationships with partners within their institutional and economic environment. FPOs allow small and marginal farmers, along with other small producers, to collaborate and establish a professionally managed business enterprise (COMCEC, 2015). These organizations can assist farmers both in the cultivation of various agricultural products and in the marketing of those goods. By joining farmer organizations, small farmers gain better access to the market, enabling them to compete more effectively with larger farmers and agribusinesses. This is achieved by reducing transaction costs related to accessing inputs and outputs, acquiring market information, accessing new technologies, and entering high-value markets. A case study was conducted to assess how farmer-producer organizations contribute to increasing farmer incomes. The producer-company model removes the need for intermediaries between market participants. As shareholders in the producer company, farmers can benefit from profits that would otherwise go to middlemen, such as wholesalers. Furthermore, smallholders receive essential market data regarding requirements and pricing through the collective market presence, allowing them to incorporate this information into their production planning and processes. To encourage more FPOs the government of India launched "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)" scheme with the main focus on leveraging economies of scale in production and marketing with a view to enhance productivity through efficient, cost effective and sustainable resource use for ensuring sustainable income-oriented farming, thus helping in reduction of cost of farm production and increase in farmers' income.

Genesis of Lambasingi FPO

ICAR- Indian Institute of Millets Research (IIMR) promoted 41 FPOs in total of Andhra Pradesh, Telangana and Karnataka. Among the 41 FPOs Lambasingi Tribal Products Farmer Producer Company Limited is the one in Andhra Pradesh which is a picturesque hamlet nestled in the Eastern Ghats of Chintapalli Mandal of Visakhapatnam district in India, renowned for its unique microclimate, often referred to as the "Kashmir of Andhra Pradesh." Lambasingi Tribal products farmer producer company limited was incorporated in 9th August, 2021 in Rajupakalau village of Chintapalli mandal in Alluri Sitaramaraju district with technical guidance of ICAR- Indian Institute of Millets Research, Hyderabad and financial support by National Bank for Agriculture and Rural Development (NABARD). The FPCL has brought together 754 farmers in 14 villages with the aim of enhancing their capabilities by promoting the use of agricultural best practices to boost productivity, ensuring access to high-quality inputs and services for intensive farming, improving the competitiveness of

farming clusters, providing access to fair and profitable markets, and linking producer groups directly to markets. The LTPFPC is eminent with naturally cultivated farm products from around 300 plus tribal farmers such as turmeric, coffee, black pepper, raw forest honey, millets, pulses, rice and seasonal plantations beside that many varieties of fruits like pineapple, strawberry, jack fruit, Guava, Mango, Custard apple and many medicinal plants. About 30 products of LTPFPC were on boarded to ONDC platform creating a business and market linkage along with the varieties of value-added millet-based products.

FPO Profile

Table 1 FPO Profile

S.No	Particulars	
1	Date of registration	9/8/2021
2	Number of shareholders (farmers)	754
3	Share Capital Mobilized (INR- Lakh)	15,08,000/-
4	BOD members	5
5	Promoting organisation	ICAR-Indian Institute of Millet Research, Hyderabad
6	Channels of marketing	Local market, Distributors, Processors e-NAM, APEDA, ONDC, GEM, Mystore
7	No. of Villages covered	14
8	Source of finance	NABARD
9	Turnover	2,95,00,000
10	Licenses Obtained	FSSAI, Seed, Export Import, APEDA

Organizational Structure of the FPO

The Lambasingi Tribal Products FPCL operates at three levels when engaging with farmers, organizing them into groups at the village, panchayat, and cluster levels. At the village level, several small farmer interest groups (FIGs) were formed based on the needs and interests of the shareholders. Each FIG has a volunteer president or secretary responsible for mobilizing farmers, organizing awareness programs, and managing the procurement of agricultural products. At the second level, a knowledgeable and enthusiastic member from the FPO shareholders is elected as the manager, responsible for overseeing the production and marketing activities of the FPO. The overall monitoring of the FPC's operations is managed by the company's CEO and Accountant. At the third level, qualified personnel, field workers, and external staff are hired and compensated to handle specific tasks within the FPC. During the monthly directors' meetings, the FPC considers the needs and demands of various groups and takes appropriate steps to address them in a practical and prioritized manner. LTPFPCL has utilized website, social media and mobile phones for marketing and fieldwork, reducing the need for in-person advertising. The FPC also uses a WhatsApp group, social network and a website, enabling product orders, inquiries and essential information exchanges to be conducted through these platforms.

ICAR-IIMR model of LTPFPCL

The ICAR-IIMR Millets model has linked FPOs with various stakeholders, including farm input centers, loan and credit systems, custom hiring centers (CHCs), millets aggregation, storage, value addition, and better

access to markets offering improved prices for produce. This model has facilitated the arrangement of input licenses for seeds and machinery while focusing on output businesses to ensure the long-term sustainability of FPOs. By strengthening market connections between FPO members, the food industry and other organizations, IIMR has played a key role in providing advisory support, supplying essential inputs like seeds, Taurpalines, millet processing machinery, coordinating production aggregation, processing, storage and ensuring efficient distribution of produce.

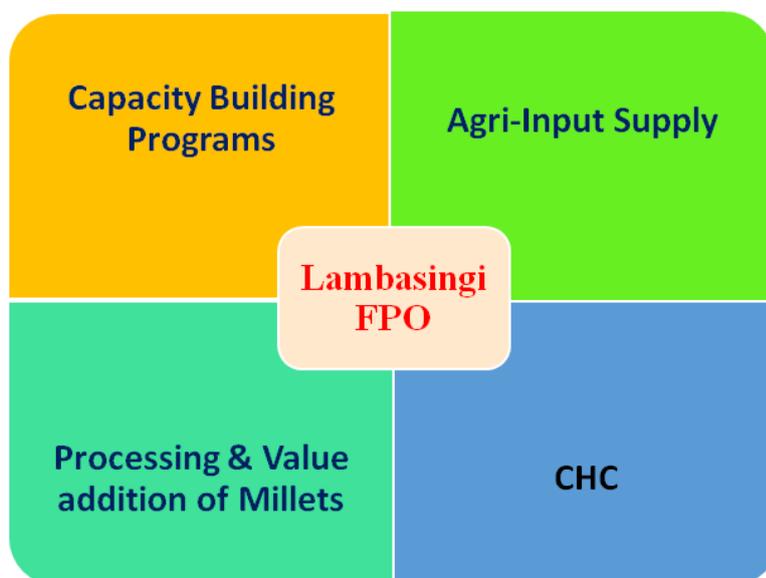


Fig 1 Business Model of Lambasingi FPO

Key Interventions and Impacts of Lambasingi FPCL with ICAR–IIMR Support

- **Access to Quality Inputs:** With the support of ICAR–IIMR, Hyderabad, Lambasingi FPCL has distributed free millet seeds to its member farmers under the Tribal Sub-Plan (TSP) program. This intervention significantly increased acreage under millet cultivation, improved crop yields, and enhanced overall farm productivity.
- **Improved Market Access & Price Discovery:** Backed by IIMR’s guidance in market linkage models, the FPO aggregates farmers’ produce and establishes direct connections with buyers, enabling transparent price discovery. By eliminating middlemen, members receive fair and assured prices.
- **Access to Finance:** Facilitated by IIMR’s incubation and capacity-building support, Lambasingi FPCL has successfully created credit linkages with financial institutions like NABKISAN, ensuring access to affordable loans for seeds, inputs, working capital, and infrastructure development.
- **Value Addition & Processing:** Under IIMR’s technical handholding, the FPO has set up primary and secondary processing units for turmeric, honey, and millets. Training on value addition and access to IIMR’s millet-based processing technologies has improved product shelf life, diversified product portfolios (pickles, jams, flours, snacks), and enabled farmers to access high-value markets.

- **Convergence with Government Schemes:** With IIMR's facilitation, Lambasingi FPCL collaborates with line departments such as horticulture, agriculture, and tribal welfare, effectively leveraging schemes, subsidies, and infrastructure support for holistic development.
- **Empowerment of Women & Marginalized Groups:** Supported by IIMR's training programs, women and tribal farmers are actively engaged in processing, packaging, and marketing of value-added products. This has elevated their leadership roles in the FPO and boosted income-generation opportunities, strengthening social and economic empowerment.
- **Technological Interventions:** Lambasingi FPCL, in collaboration with IIMR, promotes farm mechanization and modern cultivation techniques. To bridge market gaps, a mobile application (KISAN NEST) was developed with IIMR's support, linking institutes, KVKs, farmers, FPOs, and consumers. A dedicated FPO website was also launched to expand digital marketing channels.

Recognition

- Lambasingi FPO promoted by ICAR-IIMR, Hyderabad participated and stood 2nd place in National Tribal Festival "Aadi Mahostav".
- Lambasingi FPO received **Best Millet Recipe Award** in National Conference on Hill and Tribal Agriculture.
- Lambasingi Tribal Products FPCL promoted by ICAR-IIMR, Hyderabad has opened **outlet store** at Vishakhapatnam for easier access to variety of products to customers like millet value added products (Ragi Laddu, Jowar burfi, Ragi biscuits, millet mixture, Barnyard flakes) and natural products (Honey, Turmeric, Coffee, Black pepper) as an impact of training programme.
- Tribal women of LTPFPO participated in Interactive Meet on the Indigenous Millets and Ethnomedicines of India and their Conservation, New Delhi
- LTP FCL has exported their FPO products to JAI JAWAN KISAN (Ex army employees) as apart of export business.
- Received Best Emerging FPO Award from NAARM
- LTP FPO recognised as Master Training Center by BCT KVK for imparting value addition training to other FPOs, NGOs
- Preparation of Jackfruit pickle by Lambasingi Tribal FPO women members for market linkage
- G20 summit
- ASEAN MILLET FESTIVAL
- KRISHI MELAS
- NABARD Crafts and Looms Expo

- Seed Melas
- Agri Expos
- Organic Melas
- Millet Expo
- Millet Conclave
- World Organic Expo
- NABARD Mela



Fig 2 Participation of Lambasingi Tribal FPO in World Food India 2024



Fig 3 Free millet seed distribution to tribal FPO farmers



Fig 4 Marketing FPO products as export business // Fig 5 POSHAK ANAAJ FPO of the Year Award



Fig 6 Training on pickle preparation to tribal women // Fig 7 Established Collection centre and Cold storage



Fig 8 Lambasingi FPO Collaborates with Lamsa Naturals to Open New Outlet in Rajahmundry



Fig 9 Foxtail Upma Rawa



Fig 10 Kodo Idly Rawa



Fig 11 Ragi Flakes

Key Activities of Lambasingi Tribal Products (LTP) FPO

Lambasingi FPO has diversified its business activities and developed a range of value-added millet products as shown in [Fig. 9–11]. The organization focuses on improving farmers' livelihoods through multiple initiatives:

- **Agricultural Support:** Provision of necessary inputs and distribution of free millet seeds to enhance crop production and overall farm productivity.
- **Processing and Value Addition:** Establishment of processing units to convert raw agricultural products into value-added products, thereby increasing farmers' income and access to higher-value markets.
- **Infrastructure Development & Market Linkages:** Support for storage, processing, and marketing infrastructure, along with facilitating direct market linkages, helps farmers achieve better price realization and reduced dependence on intermediaries.
- **Financial Support:** Facilitation of **credit linkages** with financial institutions enables farmers to access affordable loans for inputs, working capital, and infrastructure development.
- **Capacity Building & Empowerment:** Conducting training programs, membership mobilization, and branding initiatives empowers farmers with skills in modern agricultural practices, processing, and marketing.
- **Social Development & Community Engagement:** Organizing awareness meetings and medical camps promotes health awareness, reduces healthcare costs, and empowers **women and vulnerable groups**, contributing to the overall well-being of the community.

Through these integrated interventions, Lambasingi FPO not only strengthens agricultural productivity and income generation but also fosters social empowerment and sustainable development among its members.

Success Mantra of LTP FPO

Since its inception, Lambasingi Tribal FPCL has steadily grown its business operations, focusing on both primary and value-added products.

S. No	FY	Total turn-over	Profit
1	2021-2022	18,21,240	45,000
2	2022-2023	90,59,697	65,050
3	2023-2024	1,38,30,071	85,165
4	2024-2025	2,95,75,024	1,00,000

The Lambasingi FPCL has directly benefitted 750 farmers across 14 villages by providing access to better markets, value addition, and collective bargaining power. The interventions by Lambasingi FPCL have resulted in significant positive impacts:

- **Increase in Income:** Farmers' incomes have grown by 20-30% due to better pricing for their produce and the sale of value-added products.
- **Improved Productivity:** Adoption of improved agricultural practices and inputs provided by the FPO has led to a 25% increase in productivity for crops like turmeric and millets.
- **Cost Effectiveness:** Collective procurement of inputs such as seeds has reduced input costs by 15-20%.
- **Market Access:** The FPO's efforts in branding and marketing have enabled farmers to access larger and more markets, reducing dependency on middlemen.

Before joining the FPO, farmers struggled to sell their produce at fair prices. With the FPO's support, FPO farmers get better prices for their produce and even contribute to value-added products like jams and pickles, which have boosted their income significantly. The training and support provided by the FPO have improved farming techniques and reduced costs. Free distribution of millet seed to FPO farmers has expanded the millet area and increased their productivity. By accessing better markets, reducing post-harvest losses, and adding value to their produce through processing and value addition activities, FPO contribute to increased incomes for farmers.

Through these interventions, Lambasingi FPCL has not only transformed the livelihoods of its member farmers but has also contributed to sustainable agricultural development in the region.

Lessons learnt

An extensive feasibility study has enabled the FPO to identify the common challenges and opportunities faced by farmers in the region. Through farmer mobilization, awareness campaigns, visits and training programs, the FPO has successfully built trust among the farming community. Offering a variety of products and services, such as agricultural inputs, market linkages, processing facilities, training, and online services, has encouraged both member and non-member participation in the FPO's activities. Developing a unique brand for processed products and establishing direct market linkages for raw commodities has enhanced farmers' price realization. Furthermore, the FPO's direct sales to large buyers have significantly reduced farmers' reliance on middlemen.

Way Forward

Lambasingi Tribal Products FPCL's mission is to create awareness about millets and provide wider access to millets and millet value-added products. To expand the FPO products through own outlets in Visakhapatnam and Anakapalle districts for better market reach of tribal products. Enhancing product branding and packaging to attract urban and international markets, leveraging the growing demand for organic products. The Lambasingi FPO also plans to launch millet stores and millet restaurants by approaching corporates to serve prepared food and products.

Conclusion

Agricultural growth has historically been a key driver of economic development, particularly in India, where agriculture remains the primary source of livelihood for around 60% of the population. Despite consistent increases in food grain production, farmers face numerous challenges, including limited land holdings, inadequate access to credit, outdated farming methods, and issues with market access and price volatility. To address these challenges, the Indian government has promoted the formation of Farmer Producer Organizations (FPOs), which have proven effective in reducing risks for small farmers, improving access to capital, technology, and markets. The Lambasingi Tribal Products Farmer Producer Company Limited (LTPFPC), promoted by ICAR-IIMR, is a notable example of an FPO that has empowered farmers in the region. Through initiatives like seed distribution, market linkages, value addition, and financial support, Lambasingi FPO has significantly enhanced the livelihoods of its members. The FPO's strategic focus on capacity building, infrastructure development, and the empowerment of women and marginalized groups has contributed to sustainable agricultural practices and increased incomes for farmers. Moving forward, the FPO aims to expand its reach through new outlets and millet-based products, further strengthening its impact on the local agricultural economy. The success of Lambasingi FPO demonstrates the transformative potential of well-managed collectives in fostering economic resilience and promoting sustainable farming.

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