



# ERODE PRECISION FARM PRODUCER COMPANY LTD.,

Resource Institution, empanelled by SFAC,  
Ministry of Agriculture and Farmers' Welfare, Government of India,  
for promotion of Farmer Producer Organisations in Tamil Nadu

Accomplishments and Tasks ahead





awarded the FPO promotion at Trichy (Banana), Dindigul (Guava), Coimbatore (Vegetables) during 2014 and Tiruppur (Maize) and Nagapattinam (Pulses) during 2015. There are 15 Board of Directors, including one women Director. The Board meetings are regularly held on 10th of every month and Annual General Body meets are regularly held once in a year during September. During the first phase of seven years, the firm did not receive any budgetary support from Government and availed no loan from any bank. Now the firm is planning to avail the support from Government and credit from the bank to scale up the business plans contemplated.

... a paradigm shift in agriculture towards market led production, participatory farming and collective marketing ...

Erode Precision Farm Producer Company Ltd (EPFPC) was incorporated during 2008 with 50 shareholders, authorized share capital of Rs.10 lakhs and paid up share capital of Rs.5.00 lakhs; By 2015, there are 250 shareholders with authorized share capital of Rs. 95.00 lakhs and paid up share capital of Rs.94.00 lakhs. The turn over per annum is around nine crores. During 2013, Small Farmers Agribusiness Consortium (GoI) empanelled EPFPC as Resource institution to promote FPOs in Tamil Nadu and assigned 5 FPOs on Pulses and Millets to be promoted in Salem, Namakkal, Erode, Tiruppur and Tiruvarur districts. TN state SFAC has



## Current Business activities

1. Agri input shop was established with an investment of Rs.40.00 lakhs. All kinds of fertilizers, pesticides, fungicides, weedicides, plant growth promoters and bio inputs are being sold to farmers at a competitive price. There are 12 dealerships including M/s Jain Irrigations Ltd., The agro service centre conducts workshops on organic farming, pest, disease and nematode management regularly by inviting scientists from Tamil Nadu Agricultural university. Exposure visits are regularly organized to visit good fields at AP, Kerala and TN. Offer training to new FPOs who would like to open such agri input shop. The input shop helped the farmers not only to reduce the cost of plant protection but also broaden the understanding on various categories of chemicals and how to use them optimally.

2. Kisan Seva Kendra (IOC petrol bunk) with Rs.40.00 lakh investment, was established to dispense diesel, petrol and oil to farming community and public. The farmers are having tractors, mini tractors, cars, two wheelers and other farm machineries. And fuel has become an inseparable agri input. They are happy over the purity and precise quantity of fuel when they use them in their vehicles.

3. Zero- Toxic Agri Produce Sale Centre : Zero-toxic cereals, millets, honey, jaggary, desi cow milk, butter, pulses, oilseeds, value added products of pomegranate and millets are being sold to public. The produces are being sourced from the FPOs only from across the country. Health awareness programmes are being conducted regularly.

4. Commercial crops like Pomegranate, Guava and Grapes are introduced to the tune of 340 acres as an alternate crop to turmeric, the prices of which was fluctuating between Rs 2000 to 17,000 per quintal. Study

tours were organized to Andrapradesh, Karnataka and Maharastra to get in depth knowledge of Grapes, Guava and Pomegranate.

5. Organisation of Capacity Building Trainings: Paid trainings are being offered on the topics like i. establishment of FPO to the interested groups of 20 from many districts; ii. Crisis management in the FPOs promoted already; iii. Book keeping in tune with Registrar of Companies; iv. Business plan development for new FPOs

6. Carnation mother plants were imported from Italy for supply to needy clients including State Department of Horticulture.

7. NABARD has organized one day workshop on Pomegranate cultivation at EPFPCL in which the resource persons were our shareholder farmers.

8. Workshops on Nematode management, Biodynamic farming, Organic farming and Advances in plant protection were organized.

9. Scientists of Indian Institute of Horticulture , Bangalore and Tamil Nadu Agricultural University were invited for focus group discussion on various topics.

## Future Business plans

1. Establishment of Processing Industry for agri-horti produces in the 0.46 acre site the company has purchased recently.

2. Establish a Krishi Business Kendra (KBK) to offer paid service to:

i. Build MANAGERIAL capabilities of the farmers to enhance the use efficiencies of technologies, inputs, credit and farm resources

ii. Enrich their knowledge on supply chain management of produce



- iii. Promote commodity interest groups and producer companies for collective or participatory farming system
- iv. Promote farm eco tourism
- v. Organise buyer seller meets
- vi. Conduct exposure visits to markets
- vii. Build the capacity to manage the farm natural resources like water, soil, macro and micro flora.

### Schemes implemented so far

1. National Agricultural Innovative Project (NAIP) on ICT in agriculture as network partner for TamilNadu Agricultural University and Indian Institute of Technology, Chennai sponsored by Indian Council of Agricultural Research, New Delhi
2. Development of Instant Agro Advisory through mobile sponsored by Nokia
3. Paid service on Capacity building training for promotion of FPO in Tamil Nadu

### New schemes under implementation

#### Promotion of Farmer Producer Companies in TN

01. National Demonstration Project for promotion of Farmer producer Organisations and Value Chain development of Pulses and Millets under National Food Security Mission SFAC,GOI (2014 - 2017)
02. Promotion of Farmer Producer Organisations for fruits, vegetables, pulses and millets in five districts of TN under TN-SFAC scheme (2014-2018)

Government of Indian had amended the Company Act 1956 during 2002 to bring in Farmer Producer Companies (FPC), as a new generation farmer collectives with a mandate to enhance the livelihood systems of small and marginal farmers. Small Farmer Agri Business Consortium (SFAC) under Ministry of Agriculture and Farmers' Welfare is the nodal agency to implement the project.

#### Active implementation of FPO programme commenced from 1.4.2013 with the following provisions :

01. 1000 farmers shall invest Rs.1000 each and incorporate a Farmer Producer Company (FPC) under Company Act (2013). The total investment of Rs. 10.00 lakhs becomes working capital for the FPC.
02. GOI provides an equity grant of Rs. 1000, free to each farmer ie Rs.10.00 lakhs to each Farmer Producer Company with 1000 farmers





FIG Mobilisation Meet



Demonstration



Salem First Annual General Body Meeting



Monitoring and Evaluation



Exposure visit IICPT



Visit to Pulses Research Centre



Review of CEOs of FPCs



Interactive session with Mr. Pravesh Sharma IAS, MD,SFAC



Business plan development Workshop



Board Meeting VFPC, Thondamuthur





and thus the working capital of the company becomes Rs.20.00 lakhs (Against this equity grant, all the 1000 farmers are issued with additional share certificate for Rs1000 each)

04. There will be 15 Board of Directors who are farmers and among them, there will be Chairman, Director (Finance) and Director (Projects) to govern the company and the firm is fully managed by the farmers.

05. The GOI provides further budget support of Rs.15.00 lakhs to each FPC towards CEO salary for three years @ Rs.0.30 PM, incorporation fee, office furniture, computers and accessories, training and capacity building for higher productivity and management of company and book keeping.

06. GOI has empanelled Resource Institutions like Erode Precision Farm Producer Company Ltd, Dhan Foundation, National Agro Foundation and CIKS to guide the farmers to organize themselves into a Producer Company with a separate budget for each.

07. The FPC need not provide any collateral security on term loan upto Rs.1.00 crore, as SFAC, GOI provides, Credit Guarantee Fund Support upto 85 % of term loan availed by the FPC.

08. Mandate: Market is the missing link leading to poor returns for the farm. The company shall upgrade the production system with quality inputs and procure the produce, clean grade, add value and market for the benefit of farmers.



Further, SFAC offers e-Kisan platform exclusively for FPO's for marketing of the produce. Kisan Mandi was established at New Delhi. SFAC offers Venture capital assistance to the tune 26% of margin money respectively.

### Farmer Producer Companies incorporated so far by EPFPCL as Resource Institution :

1. Salem Kanjamalai Millets and Pulses Farmers Producer Company Ltd, Salem (kanjamalaifpcl@gmail.com)
2. Namakkal Farmers Producer Company Ltd , Senthamangalam (namakkalpulses.fpcl@gmail.com)
3. Tiruppur Farmers Producer Company Ltd, Udumalpettai. (infotfpcl@gmail.com)
4. Erode Pulses Farmers Producer Company Ltd, Sathy (erode.pulsesfpcl@gmail.com)
5. Karikalan Pulses Farmers Producer Company Ltd, Mannarkudi (karikalanfpcl@gmail.com)
6. Tamil Nadu Banana Farmers Producer Company Ltd, Trichy (tnbananapcltd@gmail.com)
7. Ayagudi Guava and Fruit Farmer Producer Company Ltd., (ayaiguava@gmail.com)
8. Kovai Farmers Producer Company Ltd, Anaimalais (anaimalaivegetable@gmail.com)
9. Tiruppur Maize farmers producer Company Ltd., Uthukuli
10. Cavery Farmers Producer Company Ltd, Nagai



The CNN – IBN has captured the FPOs in Tamilnadu promoted by EPFPCL and telecasted across the country. View the documents and video at the following URLs:

- i. <http://www.firstpost.com/business/agricultures-big-hope-farmer-producer-companies-learn-to-tame-middlemen-2417802.html>

ii. <http://www.smartindianagriculture.in/farmer-producer-companies-are-taming-middlemen-can-they-get-an-arm-around-marketing/>

iii. <https://www.youtube.com/watch?v=DO9IbWeBKog>

### State Level Tamil Nadu Consortium of Farmers Producer Company Ltd (Local Host Organisations : Agri Systems Foundation and EPFPC Ltd), (TNCFPCL)

Bringing 'corporate culture' into the farmer owned and managed FPOs was the real task; The capability to achieve this transformations should be uniform in all the FPOs of the state irrespective of the sponsor; The state level organizations firmly believes to achieve this ideal in all FPOs uniformly and evenly so that such member owned institutions shall become sustainable in managing their business by building the capacity of FPO in terms of governance, administration, budget mobilization, finance control, management and discipline, incorporating value systems and ethics in business; The state level FPO shall ensure adequate paid service to member FPOs so as to transform production driven agriculture into market driven agriculture; Assuming the roles of the many partners in supply / value chain in larger magnitude so as to get 80% of what consumer pay for the product and produce to the primary producer. As such the primary mandate of state level FPO is to sustain the FPOs across the state, irrespective of sponsor, by providing necessary management skills in handling HR, inventory, finance, clients and business and at the same time bring in qualitative change in the production system by providing better access to technology, credit and market exposure. The effect of the state level FPO should result in:

1. Put in place a value and ethics based business culture in the FPO
2. Network the FPOs within and outside state for a better marketing of the produce



3. Address the crisis that emerge from mobilization of share holder to incorporation of the company, scouting enterprising directors and identification of team leader; provide entrepreneur skills to manage the business and expand the business; guide them to mobilize enough credit support; bring all the benefits of the schemes of the government to the members through FIGs.

4. The TN consortium shall join hands with SLPCs of all other states and explore marketing possibilities for the produces and products from TN as well as trade the produce and products form other states in TN for better economic returns.

5. The consortium shall expand the e-kisan mandi platform for global marketing of the produce and products from state member FPO.

6. Be a member in the proposed Bharat Kisan Producer Company Ltd, a national level FPO and intervene in the policy decisions of the government so as the production ambience and market domain are made conducive to the advantage of the primary sector.

7. Further, the FPCs shall establish market net work among themselves and each such FPC shall become dealer for the produces or products of all other FPCs and thus the ultimate profit is shared by farmer. Thus, the FPCs shall accept and undertake the responsibilities of middlemen in the farm produce trade for larger profit.

### Activities Proposed :

1. Interact with FPOs in the districts and sensitise them on the need for incorporation of state level FPO for availing better institutional support.
2. Examine the work, business plan of FPO and provide critical strategic interventions to accelerate their business.
3. Organize buyer seller meets and make the member FPOs to understand the needs of the market and consumers.

4. Scout the produce and products from various FPOs and suggest them the better FPOs to act as dealer / distributor for such products within and outside state.
5. Keep on prevailing the schemes and projects of state, centre, financial institutions, national level and global level foundations and advise the member FPOs to avail the benefits of the schemes.
6. Provide customized capacity building training to CEOs, Board of Directors as well as the enterprising farmers.
7. Providing support to FPOs to market their produce and products through e-kisan and amazon.in like platforms.
8. Offer structured programmes on maintenance of statutory records & registers, reports to ROC, book keeping and business communications.
9. Identify the 'crisis' areas in FPO in the domains of HR, Finance, business plan and client handling and offer professional solutions to address such crisis.
10. Explore new market avenues for the products of member FPOs in the national and global market; showcase the products/produce in the trade fairs of national and international nature.
11. Collaborate with organizations of business community like CII to further expand the business prospects.
12. Establish linkage with financial institutions to channelize the credit support to FPO at various levels.
13. Collect and maintain the FPO data base for future planning.
14. Develop a grand alliance with all grass root level farmer collectives to promote 'crop clusters' for large scale handling of the produces / products.

15. Create a website and keep it as repository of information related to FPO, products, produces and marketing.

All the Farmer Producer Companies incorporated may contact for further details and to become a member in State level TN consortium of Farmer Producer Company Ltd at [tnapexfpci@gmail.com](mailto:tnapexfpci@gmail.com)

## Our Funding Agencies

01. Small Farmers Agri business Consortium, Govt of India, Ministry of Agriculture and Farmers Welfare, New Delhi.
02. Small Farmers Agri Business Consortium, Directorate of Agri marketing and Agribusiness, Chennai , Govt of TN

## Board of Directors of Erode Precision Farm Producer Company Ltd

- |                             |                                      |
|-----------------------------|--------------------------------------|
| 01. Shri. K. Krishnamoorthy | Chairman (Administration)            |
| 02. Shri. K.M. Senthil      | Director (Agro Service)              |
| 03. Shri. K. Easwaramurthy  | Director (Finance)                   |
| 04. Shri. M. Ramalingam     | Director (Organic Production System) |
| 05. Shri. P. Shanmugam      | Director (Kisan Seva Kendra)         |
| 06. Shri. K. Thangavel      | Director (Zero Toxic Produce Centre) |
| 07. Shri. P. Viswanathan    | Director, (Inventory Management)     |
| 08. Shri. S. Vijayakumar    | Director (Establishment)             |
| 09. Shri. K. Rangasamy      | Director (Internal Audit)            |
| 10. Shri S. Karvembu        | Director (CSR)                       |
| 11. Shri. K. Vadivel        | Director (New Projects)              |
| 12. Shri P. Mahalingam      | Director (Alternate Crops)           |
| 13. Mrs. Saraswathi         | Director ( Farmers Welfare Schemes)  |
| 14. Shri. K. Kailasam       | Director (Drip Irrigation)           |
| 15. Shri. P. Senapathi      | Director (External Linkage)          |







Board of Directors (Erode Precision Farm Company Limited), Sivagiri



Board Meeting in Process

## Executives

S.Jayachandran, MIB, MBA., Chief Executive Officer

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R. Yuvasenthikumar, B.Tech (Hort) MSc (Org. Agric.), Germany

Programme Co-ordinator, SFAC, TN, Projects

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Dr. E. Vadivel Ph.D., Programme Coordinator, SFAC, GOI Projects

Chairman, Agri Systems Foundation and Strategic Advisor to

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CA. M. Arthanareswaran, Auditor

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