



Record of Proceedings of National Conference on New Age Agri Marketing Solutions

February 25, 2014
FICCI Conference Hall, Tansen Marg, New Delhi

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NCDEX
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Derivatives Exchange Ltd.

Record of Proceedings of
National Conference
on
New Age Agri Marketing Solutions



SFAC-NCDEX National Conference on New Age Agri-Marketing Solutions
 FICCI Conference Hall, Tansen Marg, New Delhi; 25 February 2014

A one day National Conference on New Age Agri-Marketing Solutions was organized on February 25th, 2014 at FICCI Conference Hall, Tansen Marg, New Delh by Small Farmers’ Agri-Business Consortium (SFAC), in collaboration with National Derivatives and Commodities Exchange (NCDEX) and Federation of Indian Chambers of Commerce and Industry, with Reuters Market Light (RML) as the Knowledge Partner.

The Conference was organized against the backdrop of the buoyant performance of the agriculture sector in recent years, reflected in a healthy overall rate of growth of a little over 4% during the XI Plan, as well as robust expansion in crop production and agricultural exports. There is ample evidence that Indian agriculture is successfully integrated with market demand and almost three fourths of the value of the agricultural GDP comes from commercial crops, dairy and meat products as well as horticulture. In this scenario, the agricultural marketing environment is facing a number of challenges and different categories of stakeholders are responding in innovative ways to address these new demands. The objective of the Conference was to showcase emerging models of new approaches to agricultural marketing, which are led by stakeholders across the spectrum. These include government agencies, private sector bodies as well as Farmer Producer Organizations. The “New Age Solutions” were shared with a diverse audience consisting of representatives of Central and State Government agencies, private sector companies, banks, Farmer Producer Organizations and the media.



“Inaugural Session” From (L-R): Samir Shah, Pravesh Sharma, Ashish Bahuguna, T. Nanda Kumar, Ashok Gulati, Nidhi Nath Srinivas

Key Highlights of the Conference

The Conference was divided into three parts, each highlighting significant innovations and new practices adopted by different sets of stakeholders. The agenda for the discussion was set in the inaugural session, which was introduced by **Shri Pravesh Sharma, Managing Director, Small Farmers' Agri-Business Consortium**. He placed the discussion at the Conference in the overall context of rapid and positive changes taking place in the agricultural scenario of the country. The most significant among these is the steady growth of the sector since the beginning of the XI Plan, culminating in an overall growth rate of 4.1% at the end of the XI Plan period. He also pointed out the essential commercialization of the agriculture sector, with over three fourths of the value of the agricultural GDP coming from non-cereals. Shri Sharma observed that, contrary to the popular perception, a number of innovations had been undertaken in agricultural marketing on the part of State Governments, private sector companies as well as Farmer Producer Organizations. He hoped that the Conference would help to showcase some of these innovations and create a positive environment in favour of continued reform in agricultural marketing.



Pravesh Sharma, MD, SFAC



Amit Mehra, MD, Reuters Market Light



“Inaugural Session” From (L-R): Samir Shah, Pravesh Sharma, Ashish Bahuguna, Ashok Gulati, T. Nanda Kumar

Key Highlights of the Conference

Shri Samir Shah, MD, NCDEX, in his welcome remarks, stressed the importance of overcome constraints faced by producers in getting a fair return on their produce. Empowering farmers with the right knowledge at the right time is an essential pre-requisite of a fair and transparent agricultural marketing system.

Shri Ashish Bahuguna, Secretary, Department of Agriculture and Cooperation, Government of India, in his special remarks welcomed the initiative to organize the Conference and hoped that models and experiences which were showcased during the day would reach a much wider audience. He underline the commitment of the Central Government in working with the States and other stakeholders to usher in genuine reforms in agricultural marketing. However, he also felt that this process could not be forced on anyone and its acceptance among the farmer community to market players and government agencies was essential. He observed that technology could play a greater role in accelerating the flow of information across diverse stakeholders and help to overcome physical constraints in agricultural marketing infrastructure.

Shri Ashok Gulati, Commission for Agricultural Cost and Prices (CACP), in his Keynote Address, laid stress on key objectives of agri-marketing and how these objectives can be realized under the current and emerging market dynamics. What is of utmost importance is the fact that the farmer should get the best price for his produce and at the same time the consumer should get the best deal in purchasing the produce. He pointed out that best practices from around the world need to be studied and a relevant model developed for special conditions that are prevalent in India to develop market efficiency. Open policy for export and import of agricultural produce will help in creating price stability in the market.

Shri T. Nanda Kumar, Member, National Disaster Management Authority and the incoming Chairman of the National Dairy Development Board, in his Theme Address, said that government should create an enabling environment for differentiated market systems in the country. He highlighted that management of inputs and knowledge should be the key to provide a transparent price discovery mechanism for the farmers . Shri Nanda Kumar also threw light on the relevance of innovation based on climatic conditions, soil type and crop type for addressing regional variations in the country.



“Technical Session I” From (L-R): Anil Meshram, G.V. Rau, D.K. Jain, A.K. Haral

Innovations in Regulatory Framework of Agriculture Marketing

The session chaired by **Shri D.K. Jain, Addl. Secretary, Department of Agriculture and Cooperation**, dealt with the theme of the regulatory framework of agriculture marketing. The session addressed the issue of reforms and policy change needed in the agriculture sector, keeping in view the changing dynamics and the infusion of information technology for the benefit of farmers and consumers.

Speaking on Modernization of APMC Market Yards in Karnataka through Public Private Partnership, **Shri G.V.K. Rao, Government of Karnataka**, began by giving an introduction to Karnataka Agricultural Marketing Policy 2013. The policy aims at, “Creating hassle free transparent and efficient market for the agricultural produce through use of technology at all stages and help discover true price through increased competition and empower the farmers to obtain best price for their produce.” He spoke about the importance of fixing information gap faced by farmers to secure better price realization, when the farmer visits the market to sell his produce. Karnataka Government is reforming its policy to bridge the perceived gaps as recommended by Karnataka Agricultural Marketing Reforms Committee. He gave a detailed view on the journey of reforms of Karnataka Agricultural Marketing Policy (KAMP) from 2003 to 2013 and the way forward.

Shri Anil Meshram, Government of Tamil Nadu, started his address by drawing audience attention to the present Regulatory framework in Tamil Nadu and its evolution over the years. He talked about the objectives of Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 and Rules, 1991 and the successful Marketing practices in Tamil Nadu. He elaborated on the infrastructure creation at APMC yards, encouragement to private markets in Tamil Nadu and promotion of markets in PPP mode in Terminal Market Complexes (TMC). Shri Meshram explained the importance of aggregation and e-auctioning farmer produce, promotion of commodity groups and formation of FPOs in nurturing a healthy environment for Agricultural Marketing and Agri Business.

Shri A. K. Haral, Government of Maharashtra, spoke on the development of Integrated Agri Value Chains through Public Private Partnership in Maharashtra. Shri Haral elaborated on the objectives of PPP in agriculture sector of the Government of Maharashtra and the progress made so far in creating an enabling environment. Taking it further, he explained impact of PPP-IAD projects, benefit to the farmers and the learning's that the government has had from these projects. Through his presentation, Shri Haral gave a detailed view of each and every project undertaken and impact felt through technology dissemination, mechanization, transparent procurement system and long term private investment etc

Shri Alok Srivastav, Synergy Technology, spoke on the concept and impact of Rythu Bazar in Andhra Pradesh. Rythu Bazar is a model market concept being implemented by Government of Andhra Pradesh to support vegetable producers and consumers. Shri Srivastav gave a detailed view of the concept and idea behind the Rythu Bazar model, its operation and management. Shri Srivastav further spoke on the system of ICT being used for market linkages and management. He elaborated on the implementation approach, financial viability and future possibilities of expansion of the model.

Market-led Solutions to Agriculture Marketing

Chaired by **Dr. Ramesh Chand, Director, NCAP**, the session focused on marketing innovations anchored by private sector companies.

Taking a session on “Krishidoot: Technology platform to integrate farmers in the value chain”, **Shri Amit Mehra, MD, Reuters Market Light**, began by giving a brief overview of RML service- Award-winning highly personalized, unbiased, and actionable information empowering farmers to increase income, reduce losses and improve productivity. The entity is powered by hundreds of RML’s local full-time content and agri professionals, behind the daily SMSs to farmer’s mobile phone across all handsets and operators. Launched under the aegis of SFAC, Krishidoot is a shining example of Public Private Partnership in India that brings together farming communities and agri businesses on an easy- to-use, universal ICT based platform. Providing access to lakhs of farmers, hundreds of farmer groups and thousands of agri businesses, Krishidoot aims at adding a new dimension to significantly enhance the agri ecosystem in India.

In the session titled ‘Market Led Solutions to Agriculture Marketing’, **Shri Pankaj Khandelwal, INI Farms**, started with a brief introduction of INI Farms and spoke about the objectives, operational techniques and the present status of INI Farms. INI Farms envisions becoming the largest producer and exporter of Horticulture products (Pomegranate, Banana and Pineapple) from India enhancing productivity (2X) and Quality (3X). He explained in detail the processing and packaging techniques of pomegranates and bananas and listed out the markets where his products are exported. Citing examples such as ban on Indian grapes in Europe in 2003 and 2009, Shri Khandelwal said that the industry has learnt some lessons. He also talked about the increasing importance of branding and sales know how in the sector and shared significant insights in post harvest handling of produce such as apple, pomegranate, banana and onion.



“Technical Session II” From (L-R): Bryan Lee, Sachid Madan, Ramesh Chand, Amit Mehra, Pankaj Khandelwal, Siddhi Karnani, Anurag Agarwal

Ms Siddhi Karnani and Anurag Agarwal, of Parvata Foods, introduced the company as a social commercial enterprise playing a major role in the marketing of North East ginger. The focus is to build value chains in fruits, vegetables and spices from North East and Eastern India. Elevating the living standard of farmers of difficult/hilly areas by integrating them with main value chain (by eliminating unnecessary multiple middlemen) is the social objective. From a commercial standpoint, the products are organic or pesticide residue free, witnessing increasing demand from west with value addition via processing, packaging and branding. Their endeavor at popularizing the ginger grown in North East has met with commendable success and today, the company has created linkage between the ginger farmers of North East and Mother Dairy.

Shri Bryan Lee, Krishi Star, a venture started by a few enterprising entrepreneurs in Maharashtra, spoke on “Integrating farmers in the value chain: Case Study: Tomato Puree for Italian Chefs in Mumbai.” He gave a detailed view of Krishi Star’s vision, management team and the business model behind the successful venture. Krishi Star uses a very focused and methodical approach to create direct linkages and opening up new markets for the tomato cultivators of Maharashtra. The entity has successfully integrated small farmers of tomato in Maharashtra in the value chain and has helped in the development of a farmer owned capacity and linking this facility to markets. The company is planning to set up plants in Narayangaon and Sinnar in Maharashtra to tap the tomato markets there and create a linkage for these farmers by producing tomato puree for Italian chefs in Mumbai.

Shri Sachid Madan, ITC, discussed several models that could be used for sourcing farm produce from farmers. Identifying geographical locations and diverse market needs as the reasons for the inefficacy of the existing mandi model, Shri Madan suggested three different models, namely, ITC’s e-Choupal solution, ITC-BAIF Dhruva-VAPCOL and a value chain model for potato cultivators as plausible solutions to help small farmers receive more remuneration for their produce. The ITC e-Choupal Solution is the world’s largest rural digital infrastructure focusing on creating digital infrastructure for farmers, facilitating human organization, creating physical infrastructure, providing agriculture extension services and generating community assets. On the sidelines of e-choupal’s successful initiatives, he talked about the Choupal Pradarshan Khet which is a unique initiative by the company for demonstration of latest technology to farmers.



“Technical Session III” From (L-R): Shubhendu Dash, S. Ramanujam, Sanjeev Chopra, Bhaskar Reddy, Ashish Mondal, Shriram Gadhave

Farmer Producer Organizations and Value Chain Integration

Chaired by **Shri Sanjeev Chopra, Department of Agriculture and Cooperation**, the session theme was the role of Farmer Producer Organizations in innovative agricultural marketing.

Shri Ashish Mondal, Action for Social Advancement (ASA), took the opportunity to share his experience in Madhya Pradesh, in the creation of Farmer Producer Company in cotton and soya sector. He spoke on the journey of creating FPC's in the state from pilot phase to the expansion stage. Shri Mondal briefed the audience on the right business mix for FPCs which includes crop seed production, contract farming for market linked production of crops, aggregation and trading, agriculture inputs for the farmers and agriculture extension services for the farmer. He spoke further on the relevance of managing supply chain logistics and creating an enabling environment for the formation of FPCs.

Dr Bhaskar Reddy, Syngenta Foundation, India, presented a case study on Export of Vegetables through FPO – Corporate Partnership. He began by explaining the requirements of farmers today, in view of the prevailing market needs - Technology, Services, Access to Markets. Dr Reddy stressed on the fact that farmers must be provided with requisite extension services in the area of technology, legal, financial, and market access to create an enabling work environment. He outlined the need for definitive market surveys to understand consumer needs so the farmer can fine tune his offerings accordingly. The session concluded with Dr Reddy sharing some learning's at Syngenta Foundation India - Introduction of modern agriculture technologies, organizing farmers into small groups, encouraging collective marketing, developing low cost extension agents or ajivika mitras etc

Speaking on 'Marketing of spices by FPO', **Shri Shubhendu Das, Ranthambore Producer Company Limited**, gave a brief overview of access development services and strategy for interventions based on organizing producers, aggregating surplus and integrating producers in the value chain. He spoke about Chilli value chain dilemma and how through interventions in backward and forward linkages Ranthambore Producer Company has been able to create value for its members. He delved upon the challenges the company faced today, from lack of Infrastructure to working capital support etc and the opportunity that lay ahead of them in terms of the upcoming product range.

Shri Shriram Gadhve, Vegetable Growers Association of India, spoke on production and direct marketing of vegetables in Mumbai-Pune region. He presented the case study of Junnar Farmers Producer Company Ltd. under the National Vegetable Initiative scheme of SFAC and its impact. He spoke about how collectivization of farmers is helping them reap the benefits of economies of scale while procuring inputs such as seeds, fertilizers, pesticides, and technology. Shri Gadhve also delved on the impact of technology in increasing production and reduction in input cost by utilizing means such as drip irrigation and mulching paper technology thereby enhancing the margins. He stressed on the need to develop low cost technology and tools (mechanization) to increase yields.

Shri A. Srinivasa Ramanujam, Adani Agrifresh Limited, gave a glimpse on Adani Group's initiative in modernizing the apple value chain in Himachal Pradesh. He spoke about the major issues that are afflicting the growth of domestic apple market and key factors that are required to turn the tide for the domestic apple growers. Shri Ramanujam focused on the ways and means to develop a robust and effective supply chain, based on providing extension services both for pre harvesting and post harvesting. The session harped on key transformations in the supply chain, implemented by Adani Group, which resulted in better price realization for the apple growers and enhanced knowledge about the needs of the buyers.

The closing session wrapped up the daylong Conference with three thematic presentations on the vision of agricultural marketing as seen from the perspective of the Ministry of Agriculture, Farmer Producer Organizations and industry respectively. These three presentations summarized the challenges and issues confronting agricultural marketing at the current juncture and gave out pointers to the emerging solutions over the next few months and years.

Speaking on 'Vision of Agri-marketing in the XII Plan,' **Shri Narendra Bhooshan, Department of Agriculture and Cooperation**, expressed concern on lack of proper infrastructure that is hampering the sector's growth. Key to success would be bringing together these small and medium farmers into the main stream of agri-marketing by giving them access to knowledge, technology and credit linkages, for a better bargaining power. Shri Bhooshan outlined broad vision of Agri-Marketing and the reforms that are needed in the present national agriculture market regulatory policy. He concluded by talking about expected challenges that need to be surmounted in order to further the pace of growth in the agriculture sector – willingness of states on APMC reforms, credit facilities, trained manpower, facilitating FDI etc

In his talk 'Creating a national electronic market in agriculture produce,' **Shri R.Ramaseshan, Adviser, NCDEX**, stated that best mechanism will be to incorporate reforms in the Mandi based supply chain system and pursue different models of supply, side by side, to augment the whole supply chain network. Since the Mandi system of supply chain is wide spread and touches the length and breadth of the country, therefore bypassing the system would create more problems than actually solving them. He spoke about creating an electronic network based national market where agri-produce can be bought and sold without the physical boundaries of states and union territories. Shri Ramaseshan recommended that National market should be a centralised system and every market across the nation should be connected to national market electronically, creating national market access to everyone.

Speaking on 'Farmer Producer Organizations and the future of agriculture marketing,' **Shri Pravesh Sharma, Small Farmers' Agri-Business Consortium**, summarised and articulated key areas that need to be reformed and suggested out of the box thinking to tackle the issues pertaining to agri-market situation in the country. He stated that future policy should think beyond the model of APMC and create alternative channels. Overlooking the mandi system may be counterproductive at this stage and through reforms the present mandi supply chain system can be upgraded to support the farmers better. Shri Sharma pointed out, that emergence of FPOs and FPCs will be the game changer in the coming years and that key to progress in the sector would be based on the initiatives across three key pillars i.e. Government, Private sector and FPO.

Speaking on 'FICCI's vision for agriculture marketing reforms' **Shri Arnab Kumar Hazara, FICCI**, stated that reforms in the sector are required, not only in the infrastructure part but also on the legal front with the APMC act. He suggested major initiatives that need to be taken to reform the present APMC act such as promoting alternate markets so as to lessen intermediaries and enhance investments in post-harvest infrastructure, creating nationwide modern marketing infrastructure, in most states collection of market fee is at multiple points which have a cascading impact on prices etc. Most important reform should be to link farmers directly to the markets and improvement in extension services. He encouraged participation of the private sector to bring about the proposed reforms in the sector. Shri Hazara left the audience with the seven point vision for reforms in the agriculture marketing sector.



“Closing Session” From (L-R): R. Ramaseshan, Pravesh Sharma, Narendra Bhooshan, Rajesh Sinha, Arnab Kr. Hazra



Speakers' Profiles



Samir Shah

Mr. Samir Shah is currently heading the National Commodities & Derivatives Exchange Ltd (NCDEX) as Managing Director and CEO of the exchange. Prior to joining NCDEX, Shah was Chief Business Officer at Dubai Gold and Commodities Exchange. Shah, a mechanical engineer with an MBA in Finance, has completed an Advanced Management Programme from Wharton, US.



Ashish Bahuguna

Shri Ashish Bahuguna, born on 16th February 1955, has done Bachelor of Law and Diploma in Developmental Studies. He is a 1978 batch IAS officer of Rajasthan cadre and holding the post of Secretary, Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India.

Ashok Gulati

Mr. Ashok Gulati is the Chairman of the Commission for Agricultural Costs and Prices (CACP). Before joining CACP, Dr Gulati was Director in Asia of the International Food Policy Research Institute headquartered in Washington D.C. He has studied at Delhi School of Economics, where he did his Masters in Economics and Ph.D. on Agriculture Price Policy.



T. Nanda Kumar

Mr. T. Nanda Kumar is currently a member of the National Disaster Management Authority and the Chairman designate of National Dairy Development Board (NDDB). He has served as Secretary in the Food and Agricultural Ministries during 2006-11.

G.V.Krishna Rau

G. V. Krishna Rau holds a Post Graduate Degree in Geology and has worked as Geologist in Geological Survey of India for 4 years before joining IAS in 1982. He has worked in different capacities in the Karnataka State Government in the Rural Development, Health, Food and Civil Supplies, Social Welfare, Irrigation.



Anil Meshram

Anil Meshram is the Director of Tamilnadu State Agricultural Marketing Board. He joined the IAS in 2000 as a Tamilnadu cadre officer and has served in various capacity with the Tamilnadu Government since then. He has completed his B.E. in computers science from a reputed university.

A.K Haral

Mr. A.K.Haral is the Joint Director of Agriculture (Ext), Commissionerate of Agriculture, Pune Maharashtra. He has got 34 years in Agriculture and related sectors - related to Research, Development and Extension activities. He is additionally working as Chief Coordinator, PPP- IAD projects in Maharashtra.





Alok Srivastava

Mr. Alok Srivastava founded Synergy Technofin in 2009. Alok is an Agri Business Professional with two decades of work experience in supply chain and agri-infrastructure sector. Alok has a Master's Degree in Tropical Plantation from Technical University of Dresden, Germany.

Amit Mehra

Amit is the Founder and CEO of RML. Amit started RML as a new business division within Reuters (later Thomson Reuters) in 2008. In 2013, Amit led RML's spin-out as an independent company by raising VC money. Amit is a London Business School MBA and an SRCC, Delhi alumnus, Amit was honoured as a Young Global Leader (YGL) by the World Economic Forum in 2013.



Pankaj Khandelwal

Pankaj Khandelwal, Chairman and Managing Director of INI Farms, is a graduate from Indian Institute of Technology (IIT), Kanpur and a Gold Medalist from India Institute of Management (IIM), Calcutta. He co-founded INI Farms in 2009 that works on a unique model of controlling the complete value chain of Pomegranate.

Siddhi Karnani

Siddhi Karnani, graduated from Indian Institute of Management, Ahmedabad (IIM-A) in 2013 and started an agri-business company 'Parvata Foods'. Parvata Foods is a socio-commercial enterprise with an objective to develop the value chain in fruits, vegetables and spices from Sikkim and other backward states in North East (NE) and Eastern India.



Bryan Lee

Bryan has an MBA from Kellogg School of Management, strong management background and a record of leadership. Lee is the founder member of Krishi Star (formerly Kisan First), an organization seeking to reduce rural poverty by providing farmers with greater ownership within the food value chain.

Sachid Madan

Sachidanand Madan (Sachid) heads the Indian Operations of Technico Agri Sciences Ltd an ITC group company. Sachid has been working in the Food and Agriculture industry in India and Overseas for several years in areas like fruits, vegetables, edible oils, cereals, snacks etc. He is the Chairman of the Agri Committee of FICCI and a Director in the Agriculture Skills Council of India, a part of NSDC.



Ashis Mondal

Mr. Ashis Mondal, is the Founding Director of Action for Social Advancement (ASA), a not for profit development organization in India. He is a Post Graduate in Rural Development from the Xavier Institute of Social Service, Ranchi, India and completed higher studies on development management from University of East Anglia, Norwich, England.

Baskar Reddy

S. Baskar Reddy is the Executive Director of Syngenta Foundation India. He has over 11 years' experience in the agriculture sector. From 2005-13, he directed the Agriculture, Food Processing and Water divisions at the Federation of Indian Chambers of Commerce and Industry. He holds a Ph.D. in Soil and Water Conservation Engineering from IARI, New Delhi.



Shubhendu Dash

Mr Shubhendu Dash holds fifteen years of experience in the development of agri-based livelihood and value chains. Mr. Dash has promoted eight FPOs in Rajasthan with support from SFAC. He has also established a spices processing hub in Bangalore and has been successfully involved in created market linkages and distribution network for FPOs.



Shriram Sakharam Gadhve

Mr. Shriram Sakharam Gadhve is the President of the Vegetable Growers Association of India and the Junnar Taluka Farmers Producer Company Limited. Mr Gadhve is also a member of the National Horticulture Mission (NHM) for Maharashtra. He has about 26 Years in Horticultural Crops, Production Technology & Marketing.



A. Srinivasa Ramanujam

A Srinivasa Ramanujam is the business head of Adani Agrifresh. He has over 28 years of professional experience in various Agri-business companies such as the National Dairy Development Board, Mahindra Shubhlabh Services, Triveni Engineering & Industries and Reliance Retail.



Narendra Bhooshan

Narendra Bhooshan is an IAS officer of 1992 batch, UP Cadre. He is working as Joint Secretary in the Ministry of Agriculture and looking after Agricultural Marketing Division, Integrated Nutrient Management and Sugarcane division. Mr. Narendra Bhooshan has done his Masters in International Development Policy from Duke University, USA. He is also MA, Economics and BE (Electronics and Communication).



R. Ramaseshan

Sri. R. Ramaseshan is the ex-Managing Director and CEO of NCDEX. He has completed his Engineering from REC, Bhopal and holds a Master degree in Business Administration from FMS, University of Delhi. After a brief stint in private sector, he joined Indian Administrative Services in 1982.



Arnab Kumar Hazra

Mr. Arnab Kumar Hazra is currently associated with FICCI as the Director Lifesciences. An alumni of Jawaharlal Nehru University, New Delhi he brings with him over 15 years of experience from the Industry across sectors and functions ranging from Consultant to research organizations, multilateral financial organization and Economic Advisor to an Korean Embassy.



Pravesh Sharma

Pravesh Sharma is a member of the IAS since 1982. He has worked for two decades in Madhya Pradesh, as well as for 3 years in the Prime Minister's Office. He has also served on a five-year UN assignment (2001-2006) with the International Fund for Agriculture Development (IFAD).



Nidhi Nath Srinivas

Nidhi Nath Srinivas is the Chief Marketing Officer at NCDEX, a nation-level, technology driven on-line commodity Exchange. Before joining the Exchange on July 1st 2014, she was the Commodities Editor at The Economic Times, India's largest business daily. During her long tenure at The Economic Times, she wrote a weekly column on commodities and agri-business. Nidhi holds a Master of Arts degree, University of Delhi and a Bachelor of Arts (English Literature). She lives in Delhi with her husband and son.



Rajesh Sinha

Mr. Rajesh Sinha is the Executive Vice President of NCDEX Spot Exchange Ltd. (NSPOT). He has held decision making positions in corporate, not for profit and private sector in various capacities in Agricultural Markets, Credit linkages, Business development, Supply chain management, Procurement, Warehousing, Supply Chain management, and consultancy.



D.K. Jain

Mr. Dinesh Kumar Jain is a 1983 batch Maharashtra Cadre IAS officer. He is the Additional Secretary, Department of Agriculture and Cooperation, handling Horticulture Division including micro irrigation, Agriculture Markets and Trade. He has done his B. Tech & M. Tech in Mechanical Engineering from IIT Kanpur and his MBA from University of Hull, UK.



Sanjeev Chopra

Mr. Sanjeev Chopra (IAS), joined Department of Agriculture and Cooperation, Government of India in June, 2010 and looking after the National Horticulture Mission, National Mission on Micro Irrigation, National Horticulture Board, National Bee Board and Coconut Development Board. In his earlier assignment he has worked as Principal Secretary, Agriculture, Government of West Bengal.



Dr. Ramesh Chand

Dr. Ramesh Chand is the Director, National Centre for Agricultural Economics and Policy Research (NCAP) of ICAR. Before his present assignment he worked as ICAR National Professor (2006-10). Mr. Chand has a Ph. D. Agricultural Economics from Indian Agricultural Research Institute, New Delhi. He has more than 30 years experience in research and teaching and has been a consultant for international agencies such as FAO, UNDP, ESCAP, and World Bank.



Annexure 1 : Schedule



SFAC-NCDEX
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25 February 2014
FICCI Conference Hall, Tansen Marg, New Delhi
CONFERENCE SCHEDULE

09.15-10.00		
Registration		
10.00-10.30		
Inaugural Session		
	Welcome Address	Shri Pravesh Sharma, MD, SFAC
	Introduction to Theme	Shri Samir Shah, MD, NCDEX
	Special Address	Shri Ashish Bahuguna, Secretary, Agriculture & Cooperation, Govt. of India
	Keynote Address	Dr. Ashok Gulati, Chairman, CACP
	Theme Address	Shri T. Nanda Kumar, Member National Disaster Management Authority & Chairman (Designate) National Dairy Development Board
	Vote of Thanks	Ms. Nidhi Srinivas, Chief Mktg. Officer, NCDEX
10.30-10.45		
TEA BREAK		

10.45-12.00 : Technical Session I : Innovations in regulatory framework of agriculture marketing		
Chair : Shri D.K. Jain, Additional Secretary, Department of Agriculture & Cooperation		
	Topic	Panelist
11.00-11.15	Modernization of APMC Market Yards in Karnataka through Public Private Partnership.	Shri G.V.K. Rao, Addl. Chief Secy., Govt. of Karnataka
11.15-11.30	Development of Integrated Agri Value Chains through Public Private Partnership in Maharashtra	Dr. Sudhir Goel, Addl. Chief Secy., Govt. of Maharashtra
11.30-11.45	Linking farmers to consumers through Rythu Bazar in Andhra Pradesh	Shri Alok Shrivastava, Synergy Technofin, New Delhi
11.45-12.00	Regulatory framework of agriculture marketing in Tamil Nadu: Experience and Lessons	Shri Anil Meshram, Director, Tamil Nadu Agriculture Marketing Board.
12.00-12.15 Open House Discussion & Comments by Chair.		

12.15-13.30 : Technical Session II: Market led solutions to agriculture marketing		
Chair : Dr. Ramesh Chand, Director, National Centre for Agricultural Policy (NCAP)		

Topic		Panelist
12.15-12.30	Krishidoot: Technology platform to integrate farmers in the value chain.	Shri Amit Mehra, MD, Reuters Market Light
12.30-12.45	Integrating farmers in the value chain: Case Study (I): Pomegranate exports	Shri Pankaj Khandelwal, INI Farms
12.45-13.00	Integrating farmers in the value chain: Case Study (II): Sourcing of horticulture produce from Sikkim	Ms. Siddhi Karnani
13.00-13.15	Integrating farmers in the value chain: Case Study (III): Tomato Puree for Italian Chefs in Mumbai	Shri Bryan Lee, Krishi Star
13.15-13.30	Sourcing farm produce from farmers: models and challenges	Shri Sachid Madan, ITC

13.30-13.45	Open House Discussion & Comments by Chair.
13.45-14.30	LUNCH

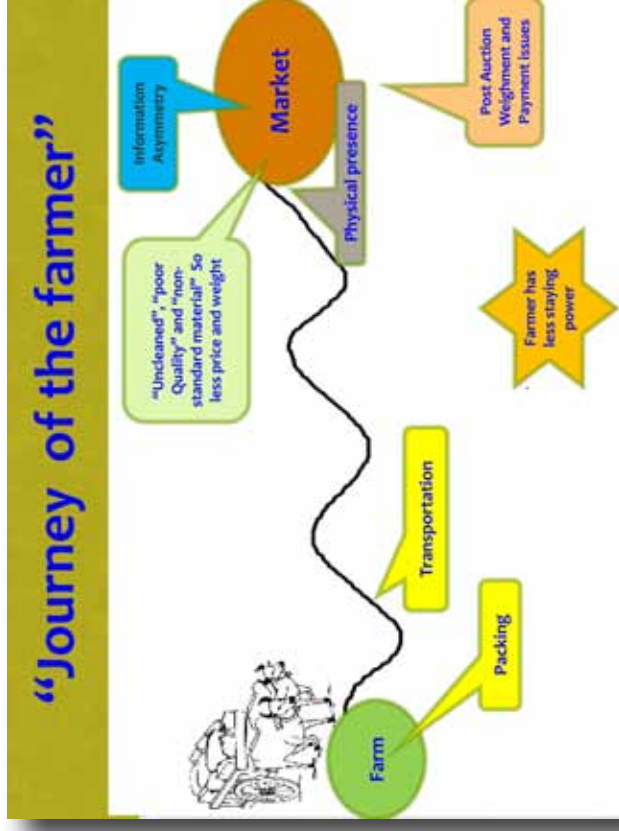
14.30-16.00 : Technical Session III: Farmer Producer Organisations and Value Chain Integration		
Chair : Shri Sanjeev Chopra, Joint Secretary, Department of Agriculture & Cooperation		
Topic		Panelist
14.30-14.45	Marketing of Cotton and Soybean by FPOs	Shri Ashis Mondal, Executive Trustee, Action for Social Advancement (ASA)
14.45-15.00	Export of Vegetables through FPO – Corporate partnership	Dr. Baskar Reddy, Executive Director, Syngenta Foundation, India
15.00-15.15	Marketing of Spices by FPO	Shri.Shubendu Dash, Ranthambore Producer Company Ltd.
15.15-15.30	Production and direct marketing of vegetables in Mumbai – Pune region	Shri. Shriram Gadhawe, Vegetable Growers' Association of India
15.30-15.45	“Modernizing the apple value chain – An initiative by Adani Group in Himachal Pradesh”.	A Srinivasa Ramanujam, Business Head, Adani Agrifresh Ltd
15.45-16.00	Open House Discussion & Comments by Chair	
16.00-16.15	TEA BREAK	

Closing Session		
16.15-17.00	Theme	Speaker
	Vision of Agri-marketing in the XII Plan	Shri Narendra Bhooshan, Joint Secy., Department of Agriculture & Cooperation
	Creating a national electronic market in agriculture produce	Shri R. Ramaseshan, NCDEX
	Farmer Producer Organizations and the future of agriculture marketing	Shri Pravesh Sharma, MD, SFAC
	FICCI vision for agriculture marketing reforms	Shri.Arnab Kumar Hazra, Director, FICCI
	Vote of Thanks	Shri. Rajesh Kumar Sinha, Executive Vice President, NCDEX.

Annexure 2 : Presentations

Presentation : 1

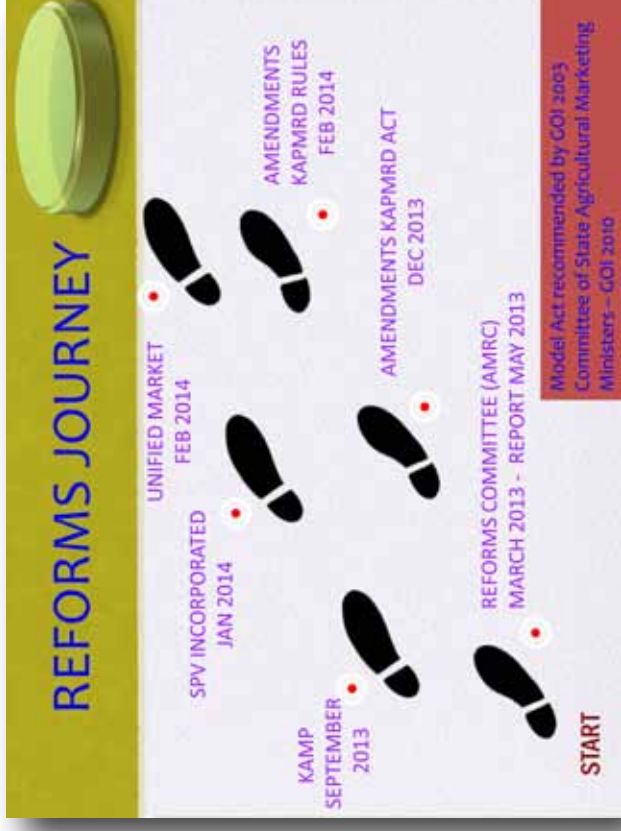
Modernisation of APMC Markets in Karnataka through Public Private Partnership, by G.V. Krishna Rau



National Conference on New Age Agri-Marketing Solutions
25-02-2014

Modernisation of APMC Markets in Karnataka through Public Private Partnership

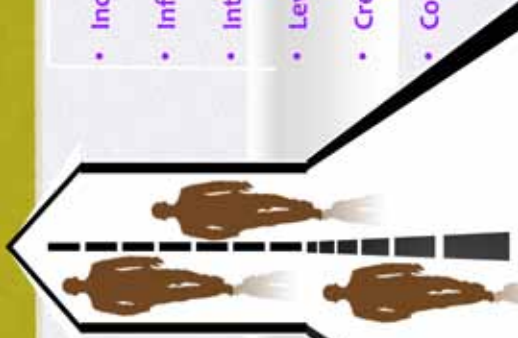
G.V. Krishna Rau, IAS
Additional Chief Secretary and Development Commissioner cum Agriculture Production Commissioner



What's ahead...

- Context
- Karnataka Agricultural Marketing Policy
- Enabling Amendments
- PPP model
- Action plan

AMRC Recommendations



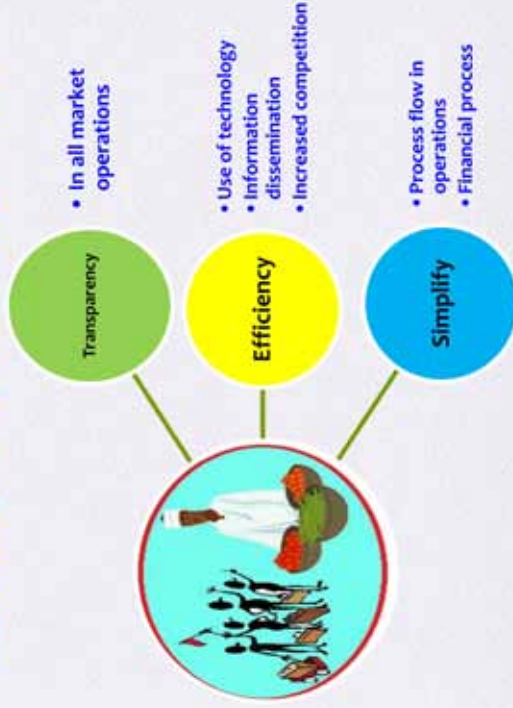
- Increase competition
- Information Dissemination
- Integrating Markets
- Leveraging technology
- Creating Virtual Markets
- Commodity Funding

AMRC Recommendations



- Farmer Producer Organisations
- Warehouse based sales
- Private Markets
- Creation of Infrastructure
- Capacity Building for Stakeholders
- Secondary Market Linkages
- Re-imagining Regulation

Recommendations Agricultural Marketing Reforms Committee

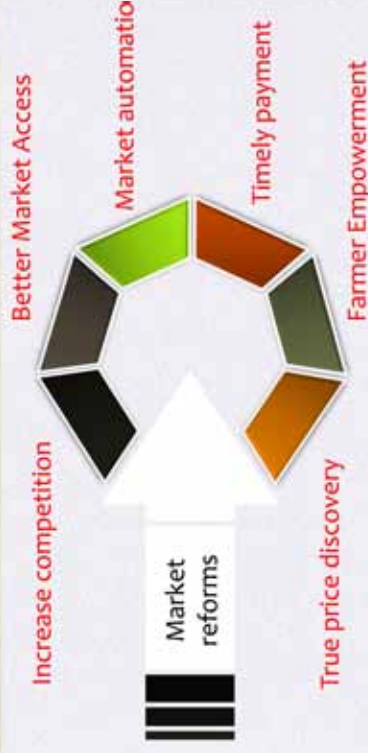


Karnataka Agricultural Marketing Policy 2013

The policy aims at

“Creating hassle free transparent and efficient market for the agricultural produce through use of technology at all stages and help discover true price through increased competition and empower the farmers to obtain best price for their produce.”

Karnataka Agricultural Marketing Policy 2013



Karnataka Agricultural Marketing Policy 2013

- Increase competition in agricultural markets by
 - Single unified license for traders
 - Market integration and creation of online markets
 - Assaying / grading the produce
 - Increased participation by traders

Karnataka Agricultural Marketing Policy 2013

- Improved access to markets
 - Accredited Warehouse as sub-market yards - alternate and safe storage options
 - Level playing field to private market yards
 - Access to market through aggregation at village
 - Linkages with financial Institutions
 - Simple process for pledge loans

Karnataka Agricultural Marketing Policy 2013

- Enable true price-discovery of the Agricultural produce
 - Primary value addition of agricultural produce at village level
 - Grading and assaying at market yard and warehouses
 - Market integration
 - Increased competition through remote trading

Karnataka Agricultural Marketing Policy 2013

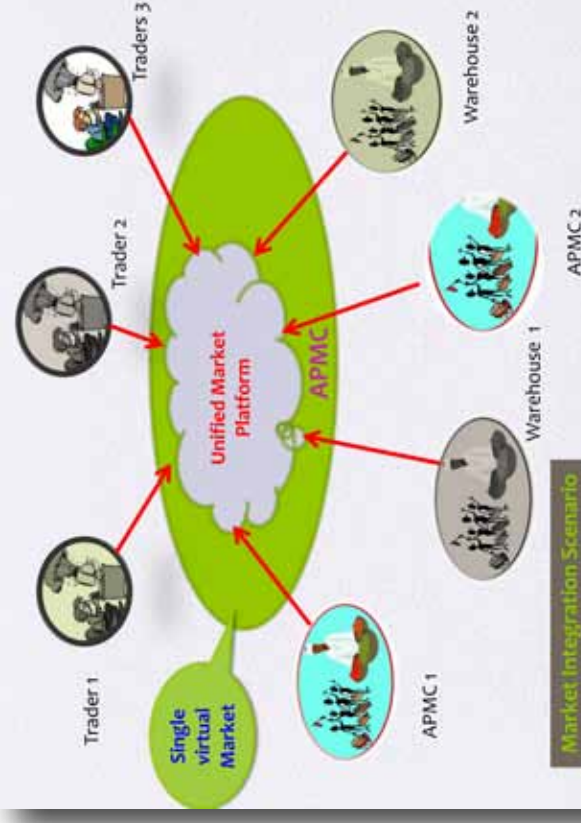
- **Address delay in Payments**
 - Timely payment from buyer to be routed through Bank accounts
 - Online transfer of Payment
 - Transparency in Payments

Karnataka Agricultural Marketing Policy 2013

- **Empowerment of Farmers**
 - Organize farmers groups to undertake primary value addition and encourage village level aggregation
 - Market Access; Physical, Information and Financial
 - Pre weighment of the produce with assaying
 - Simplified marketing processes and ensuring online timely payment to the farmers account.
 - Farmer to decide when to sell and at what price, with a right to reject the price offered.

Market integration

- Key pre-requisites for increasing competition
 - Increase the number of traders
 - Allow the traders to trade in all APMCs
 - Issue them single license valid across all APMCs
 - Create networked market
 - Pre weighment and assaying the produce
 - Provide for online transfer of payments



Amendments to Act

Enabling warehouse based sales

Single trading license

Market fee waiver on perishables

FPOs Exempted from market fee

Market fee concessions for DPCs and Private Markets

Simplification of Contract farming arrangements

www.mca.gov.in

Amendments to Rules

Simplified procedure for issue of single trading license

Provisions to notify markets for trading on unified market platform

Arrangement for Assaying

Provisions for dispute resolution

Enabling provisions for online payments

Provisions for transaction charge

www.mca.gov.in

SPV

- **Rashtriya e Market Services Pvt Ltd.**
“A Special Purpose Vehicle (SPV) with a Mandate to operate with cutting edge technology and to bring the technology and practices of advanced markets to the agricultural markets in the state, to ensure market efficiency and competitiveness for the benefit of farmers and consumers, while making participation of all other market participants sustainable”

www.mca.gov.in

SPV Structure

- A JVC between GOK and NSPOT
- Rashtriya e Market Services Pvt. Ltd (20th January 2014)
- **Share holding pattern of 50:50**
 - Chief Secretary GOK as Chairman
 - 3 Directors each from GOK and NSPOT
 - 3 Independent Directors
 - Provision to raise the total to 12 directors
 - Certain matters Reserved for Government (as long as GOK holds up to 10%)

www.mca.gov.in

Roll out plan for Markets

Details	Years				
	2013-14	2014-15	2015-16	2016-17	2017-18
Number of APMCs on UMP	3	24	48	74	97
Cumulative turnover (in Rs. Crores)	153	6690	13898	17123	18204
Per cent of total turnover *	0.81	35	73	90	96

APMCs (2017-18)

What Next...

- **Capacity Building of Framers Collectives**
 - For primary value addition
- **Increase accredited warehousing**
- **Extend the platform for the perishables**
- **Facilitating Linkages with Secondary markets**
- **Integration with national markets**
- **Integration with futures markets**

APMCs (2017-18)

Thank you

APMCs (2017-18)

Presentation : 2

Regulatory Framework of Agricultural Marketing in Tamil Nadu, by Anil Meshram

REGULATORY FRAMEWORK OF AGRICULTURAL MARKETING IN TAMIL NADU EXPERIENCE AND LESSONS

25.02.2014

Department of Agricultural Marketing
and Agri Business
Government of Tamil Nadu

Regulatory framework

- The erstwhile Government of Madras Presidency enacted the Madras Commercial Crops Market Act ,1933 and it came into force from 25.7.1933
- The above Act was modified as Tamil Nadu Agricultural Produce Market Act, 1959 and it came into force from 22.10.1962
- Again the above Act was modified as Tamil Nadu Agricultural Produce Marketing (Regulation) Act, 1987 and Rules, 1991. and it came into force from 1.2.1991

Objective of the Act

- To provide for better regulation of buying and selling of Agricultural produce
- Establishment of market and proper administration of markets in the state of Tamil Nadu
- Presently 277 Regulated Markets under 21 Market committees are functioning to enforce the provisions of the Act
- Presently 40 number of Agricultural Produce are notified

Marketing Practices in Tamil Nadu

- Farmers of Tamil Nadu can sell their produce through APMC & also in Private markets
- APMCs themselves conduct auction for the sale of Farm produce through secret tender system
- APMCs also Monitor the prompt payment to the farmers by the traders after the sale is concluded
- Farmers get fair price without any deductions such as commission etc.
- During the year 2012-13, 17.43 lakh MT of agricultural produce with value of Rs. 3115.88 crores have been transacted through APMCs.

Marketing Practices in Tamil Nadu conti..

- From the inception, the Act allows open markets by any individual or Company or Association or FPOs in any part of Tamil Nadu
- Exemption also given to the Agricultural Co-operative Marketing Societies for taking license to conduct auction of the agricultural produce of the farmers.
- So far 33458 number of license have been issued to the private markets

Collection of Market Fee

- Single point levy of market fee is in practice.
- Market fee need not be paid for the byproducts/ Processed products
- APMCs collect Re.1 for every Rs.100 of the Value of the produce as market fee.
- For free trade and Transport of the agricultural produce, Check post system has been abolished



Storage of produce and Pledge loan

- The storage receipt issued by the APMCs are considered as Negotiable instrument
- Pledge loan is issued by APMCs to farmers upto 75% of the Value of the Produce stored to a maximum of Rs. 2.00 lakh @ 5% interest. The storage period allowed is 6 Months for turmeric it is one year.
- During 2012-13, Rs.2685 lakhs have been given to farmers as pledge loan
- Farmers can also get loan from Nationalized Banks / Co-operative Banks based on the storage receipt issued by the APMCs



Creation of infrastructure in APMC Yards

- APMCs purchase own lands to create marketing infrastructure facilities for farmers and traders and other market functionaries
- APMCs develop Infrastructure such as godowns, transaction sheds, drying yards, cold storages farmers rest shed, payment counters, sanitary facilities and drinking water facilities etc., from their own fund
- Steps are being taken to computerize 20 APMCs activities on pilot basis.



Private Markets

- APMC Act encourages private markets in the State. Some of the private markets are
 - APPTA – (Agricultural Product Producers and Traders Association)-Nagercoil, Kanyakumari District.
 - Leigh Bazaar – Agriculture- grains, farm and dairy products - Salem
 - APMC Madurai constructed a paddy Market complex and shops sold to traders on outright sale.
 - APMC Pattukottai constructed Coconut Market Complex and has given to the traders on lease

Direct Marketing

- Farmers Market (Uzhavar Sandhais) in the State help the farmers to sell their produce especially the perishables directly to the consumers without any intermediaries.
- Infrastructure facilities and weighing machine are provided free of cost
- Rate also fixed in consultation with farmers which is low compared to outside markets
- Consumers get fresh vegetables.
- At present, 179 Farmers Markets are functioning in the State

Promotion of markets in PPP mode Terminal Market Complexes (TMC)

- TMCs being established in Chennai, Madurai and Coimbatore region under Public Private Partnership (PPP) mode for the benefit of farmers and traders.
 - Coimbatore region – Perundurai – Rs. 120.62 Cr.
 - Chennai region – Navalur – Rs. 135.00 Cr.
 - Madurai region – Mukkampatti & Thiruvathavur -Rs. 120.06 Cr.
- TMC will operate on a Hub-and-Spoke model wherein Terminal Market Complex (Hub) would be linked to a minimum number of Collection Centres (spokes)
- Spokes will be conveniently located at key production centres to allow easy farmer access. A minimum of 20 collection centre will be developed in catchment area of each TMC.

Aggregation and e-auctioning

- This system involves aggregation, warehousing and e – auctioning.
- It helps the farmers to aggregate their produce and collectively sell at a time to get better prices through e – auctioning platform
- At present, two regulated markets at Avalpoondurai in Erode district for Turmeric and Palani in Dindugal District for Maize are selected on a pilot basis and it will be extended to eight more markets in a phased manner.
- The National Commodity and Derivatives Exchange Ltd [NCDEX], the electronic spot exchange having expertise in e – auctioning is co-ordinating in this programme.

Promotion of Commodity groups

- Commodity groups among the farmers create a mechanism at the village / block level to empower them for their own problem solving.
- Formation of commodity groups and MoU between farmers and traders are the major activity for the realization of additional income by farmers.
- So far, 3145 commodity groups covering 14 major commodities have been formed and 2457 MoU have been made between farmers and traders.
- The commodity groups are being encouraged to form Farmers Producer Organization (FPOs)

Formation of FPOs

- Encouraging farmers to market their goods together can reduce marketing costs.
- The Farmer Producers Organizations [FPOs], are now gaining momentum as the collection of farmers, especially small producers registered as FPOs having better access to technology, inputs, credits & marketing as bigger groups.
- In Consonance with the Process and Policy guidelines of FPOs, Tamil Nadu has got approval for the promotion of 5 FPOs under NADP programme in the year 2014-15

THANK YOU

Presentation : 3

Public Private Partnership for Integrated Agriculture Development(PPP-IAD), by A.K. Haral

Public Private Partnership for Integrated Agriculture Development, (PPP-IAD)



The Journey so far.....

Aug. 2011 Mumbai	MoU signed between Govt. of Maharashtra & Rallies India / Jain Irrigation on PPP during Agri Corp. 2011.
Nov. 2011 Mumbai	India Economic Summit initiates the partnership with WEF.
March 2012 Mumbai	WEF brings together all stakeholders to initiate projects for coming season
September 2012 Mumbai	WEF reviews the experience of last crop season, crystallises initiatives for next season.
November 2012 Gurgaon	India Economic Summit disseminates the information on the partnership

The Journey so far.....

March 2013 Mumbai	WEF again reviews the partnership for 2012-13; Plans finalised for 2013-14
August 2013.	Independent evaluation begins; Secretariat for the partnership takes shape.
September 2013 Geneva	Transformation Leaders Workshop under New Vision for Agriculture
October 2013 Mumbai	Workshop to review the partnership in India

Public Private Partnership

Objectives

- To mobilise farmers into groups and federate groups into "Producer Companies (PCs)"
- To demonstrate technologies in Public and Private domain
- To increase productivity by adopting best of technologies in public and private sector.
- To aggregate farm produce and link it to the markets.
- To implement end-to-end Projects to develop crop specific value chains.

The Strategy for Maharashtra-PPP

- Step 1: Initiate the dialogue between all the stake holders coordinated by Government agency and a neutral observer .
- Step 2: Focus on certain selected commodities and the preparation of Detailed Project Reports to carry the partnership forward.
- Step 3: Approval of the project with firm assurance on funds flow under a dedicated window along with convergence with several Government initiatives.
- Step 4: Three tier structure for project implementation with dedicated Public & Private team – Policy level, Implementation agency level, Project site level.

The Strategy for Maharashtra-PPP

- Step 5: Continuous monitoring & follow up of the progress of all the components at the three level during the crop season .
- Step 6: Evaluation of the outcome and the lessons to be learnt for the next season under the neutral observer.
- Step 7: Scaling up of the partnership from one season to other, previous year to next year.

PPP – IAD : 2012-13

Market Linkage of Small Holders

- Projects Under PPP – 11
- Participating Companies – 20
- Farmers – 1,11,525
- Area – 79,138 Ha.
- Project Cost – Rs. 97.90 Crore
- Share of farmers – Rs. 43.20 Cr. (44 %)
- Share of Pvt. Sector - Rs. 14.45 Cr. (15 %)
- Government Share – Rs. 40.20 Cr. (41%)



PPP – IAD : 2012-13

Market Linkage of Small Holders

Sr	Name of Project	Cost (Rs. Cr)	Share %		Participating companies	Area (ha)	No of farmers
			Govt.	Farmer			
1	Maize	6.05	43	45	Monsanto, Pioneer, UPL, Venkeys	5000	6000
2	Soybean	2.30	29	33	ADM	33300	63750
3	Pulses	50.38	52	33	Rallis India	32000	35427
4	Cotton	17.13	27	71	Nuziveedu Seeds	4135	3423
5	Onion	4.16	11	57	Jaun Irrigation Systems	1700	2500
6	Tomato	3.46	32	64	Hindustan Unilever Ltd.	483	618
7	Potato	4.52	31	46	Pepsico India	920	1207
8	Grapes	6.41	21	21	Mahindra	200	200
9	Pomegranate	4.96	79	19	Mahindra	200	200
10	Sugarcane	8.02	30	50	12 Sugar factories in Maharashtra	1200	1200
11	E- content	0.87	28	0	RML Services	---	---
	TOTAL	97.89	41	44	20 Companies	79138	111525

Key Impacts of PPP- IAD projects



Key Impacts of PPP- IAD projects



Key Impacts of PPP- IAD projects



Key Impacts of PPP- IAD projects

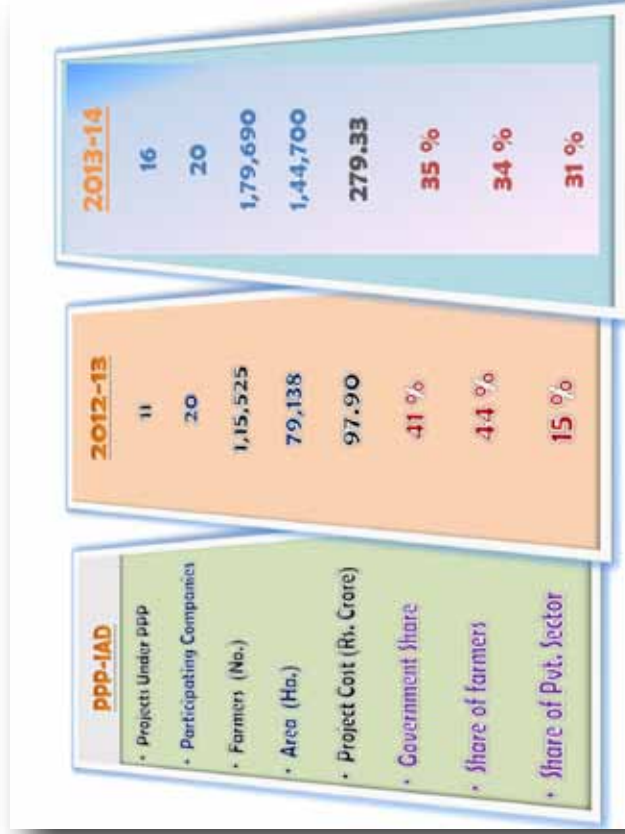


Key Learnings

- Public and Private technologies through extension machinery & resources can be pooled for increasing productivity and for establishing an end to end value chain.
- Projectised extension approach for value chain development is very effective.
- Involvement of end user in PPP Projects is a key factor for their success.
- Up scaling of initial successes needs to be worked out as soon as possible in the partnership.

PPP – IAD : 2013-14 Market Linkage of Small Holders

Sr	Name of Project	Cost (Rs. Cr.)	Share %		Participating companies	Area (Ha.)	No of farmers
			Govt.	Farmer			
1	Pulses	44.37	41	42	Rallis India	35000	59000
2	Soybean	11.55	32	61	ADM	53580	29740
3	Maize	38.47	41	51	UPL, Pioneer, Monsanto	30000	50000
4	Cotton-I	64.4	17	44	Nuzveedu seeds	8000	11000
5	Cotton-II	1.69	42	7	Jain Irrigation	2000	2000
6	Banana-I	10.69	23	16	Desai Fruits & Vegetables	2000	500
7	Banana-II	4.06	34	17	Ghaige Milk Process.	100	200
8	Banana-III	4.70	32	7	Sanjeevani Agro. Coop. Society.	80	200
9	Pomegranate	3.31	12	4	Deepak Fert & Petro.	120	150
10	Grapes- I	9.01	10	4	Deepak Fert & Petro.	320	400
11	Grapes- II	1.52	41	35	Rallis India	200	500
12	Grapes-III	1.78	40	26	Mahindra Subhlihh	400	500
13	Grapes-IV	32.66	50	50	MROBS	1200	10000
14	Tomato	2.91	45	48	Hindustan Unilever	1500	1500
15	Onion	27.92	45	44	Jain Irrigation	2000	4000
16	Fruits & Vegetables IVC	20.06	45	23	Daulat Agro India Pvt. Ltd.	10000	10000
Total		279.33	35	34	20 Companies	144700	179690





Project Benefits:
 • 100% supply of market ready and quality items
 • 100% supply of market ready and quality items
 • 100% supply of market ready and quality items

Participating Companies:
 DESAI FRUITS & VEGETABLES
 GHAIGE MILK PROCESSING
 HINDUSTAN UNILEVER
 JAIN IRRIGATION
 MAHINDRA SUBLIHH
 MROBS
 RALLIS INDIA
 SANJEEVANI AGRICULTURAL CO-OPERATIVE SOCIETY
 UPL

Government Share:
 45%

Share of Farmers:
 34%

Share of Pvt. Sector:
 31%

2013 - 14



Project Benefits:
 • 100% supply of market ready and quality items
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Participating Companies:
 DEEPAK FERT & PETRO.
 HINDUSTAN UNILEVER
 JAIN IRRIGATION
 MAHINDRA SUBLIHH
 MROBS
 RALLIS INDIA
 SANJEEVANI AGRICULTURAL CO-OPERATIVE SOCIETY
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Government Share:
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 31%

2013 - 14






Project Benefits:

- Increased production and yield by up to 10% through
- use of herbicide and fungicide
- improved soil health
- improved water efficiency
- improved pest and disease resistance
- improved nutrient use efficiency
- improved crop quality
- improved crop yield

Corporate Partner Benefits:

- Increased production and yield by up to 10% through
- use of herbicide and fungicide
- improved soil health
- improved water efficiency
- improved pest and disease resistance
- improved nutrient use efficiency
- improved crop quality
- improved crop yield

Corporate Partners:

ADM	ADM
ADM	ADM
ADM	ADM
ADM	ADM
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2013 - 14






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Corporate Partners:

UPL Limited	UPL Limited
UPL Limited	UPL Limited
UPL Limited	UPL Limited
UPL Limited	UPL Limited
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2013 - 14






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- improved crop quality
- improved crop yield

Corporate Partners:

University of Arkansas	University of Arkansas
University of Arkansas	University of Arkansas
University of Arkansas	University of Arkansas
University of Arkansas	University of Arkansas
University of Arkansas	University of Arkansas
University of Arkansas	University of Arkansas
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2013 - 14






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Corporate Partners:

TAFE	TAFE
TAFE	TAFE
TAFE	TAFE
TAFE	TAFE
TAFE	TAFE
TAFE	TAFE
TAFE	TAFE
TAFE	TAFE
TAFE	TAFE
TAFE	TAFE

2013 - 14

WORLD ECONOMIC FORUM
COMMITTED TO IMPROVING THE STATE OF THE WORLD

BUILDING TRANSFORMATION PARTNERSHIPS THROUGH NEW MODES OF COLLABORATION.

The World Economic Forum's New Vision for Agriculture aims at achieving a better future for agriculture through food security, environmental sustainability, and economic opportunity.

- 14 countries across Asia, Africa and Latin America
- 250 organizations

Operating Principles:

- Maximize** the value of the private sector
- Employ** the private sector to create jobs
- Empower** the private sector to lead
- Integrate** the private sector into the public sector
- Collaborate** the private sector with the public sector

Committing 20|20|20

Every decade we aim to:

- Increase Production by 20%
- Reduce Emissions by 20%
- Reduce Water Footprint by 20%

"3 billion lives improved and 10 billion more people fed"

The World Economic Forum
Public-Private Partnerships and
Development Initiatives, WFP

Dr. Parag Mehta
Senior Project Manager, WFP

Dr. Parag Mehta
Senior Project Manager, WFP

WORLD ECONOMIC FORUM
COMMITTED TO IMPROVING THE STATE OF THE WORLD

Government of Maharashtra
Public Private Partnership
for Integrated Agriculture Development

PPP-IAD
Public-Private Partnership for Integrated Agriculture Development

With the focus of the new and institutions in the private sector & IAS Government, PPP-IAD makes large scale integrated projects which help with the economic growth, high employment growth, market and thereby get higher realizations.

OBJECTIVES

- Share and disseminate new technologies to increase productivity
- Aggregate farm produce and link it to markets
- Develop crop specific value chains

RESULTS

- New technology adoption
- Market-linked
- Efficient transportation and procurement systems
- Long term private investments

Overall, Increase in Farm Produce and Better Realization for farmers.

	2012-13	2013-14
Projects under PPP	11	27
Participating Companies	28	28
Farmers (No.)	1,14,126	1,48,488
Area (Ha.)	76,118	1,13,102
Project Cost (Rs. Crores)	87.88	281
Exported Share	41%	21%
Share of Farmers	46%	24%
Share of Private Sector	15%	20%

Dr. Parag Mehta
Senior Project Manager, WFP

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WORLD ECONOMIC FORUM
COMMITTED TO IMPROVING THE STATE OF THE WORLD

Making a difference to the lives of Farmers of Maharashtra

PPP-IAD
Public-Private Partnership for Integrated Agriculture Development

सहकार्य आयोग
सर्वोत्तम

Dr. Parag Mehta
Senior Project Manager, WFP

THANK YOU!

Presentation : 4 Manakuragayalu- An Initiative, by Alok Srivastava

MANAKURAGAYALU – An Initiative

M K Singh, IPS,
CEO, Rythu Bazars
Andhra Pradesh

1

Presentation contents

- About Manakuragayalu
 - Goal
 - Existing supply chain of the initiative
 - Key benefits
- Proposed Operational Model
- 100 Outlets – Approach
- Financial viability

2

About Manakuragayalu

- As a part of that initiative by the GoAP, "MANAKURAGAYALU" Project has been launched by the Department of Agricultural Marketing to support Vegetable Producers and Consumers
- Through this initiative the vegetables from the farm are aggregated and brought to an aggregation centre at Hyderabad, from there on it goes to various Rythu Bazars

3

Manakuragayalu Project Goal

- The overall **Goal** of this initiative is to "increase the margins and net income for vegetable farmers and provide high quality vegetables at affordable prices to the consumers".
- This initiative will benefit both the farmers and the consumer.

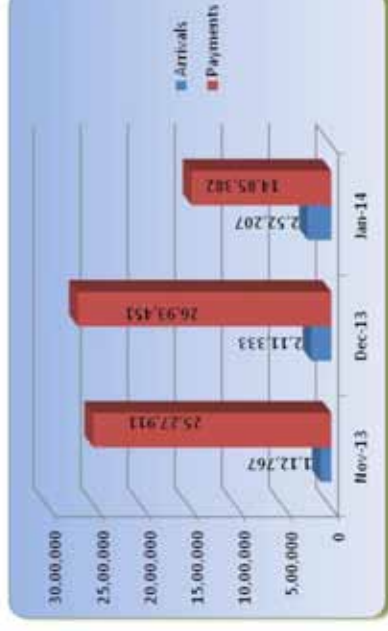
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Manakuragayalu Project Existing Vegetable Supply Chain



5

Manakuragayalu Project Existing Vegetable Operations



6

Manakuragayalu Project Key benefits

- Direct link between the farmer and the end-consumer, through a farmer-friendly city-based retail space and facilities
- Removal of middlemen who add limited value in the chain, and ensuring higher margins to farmers
- Making available fresh vegetables at affordable prices to end-consumers
- Ensuring correct measurements in sale so that consumers and farmers are not exploited

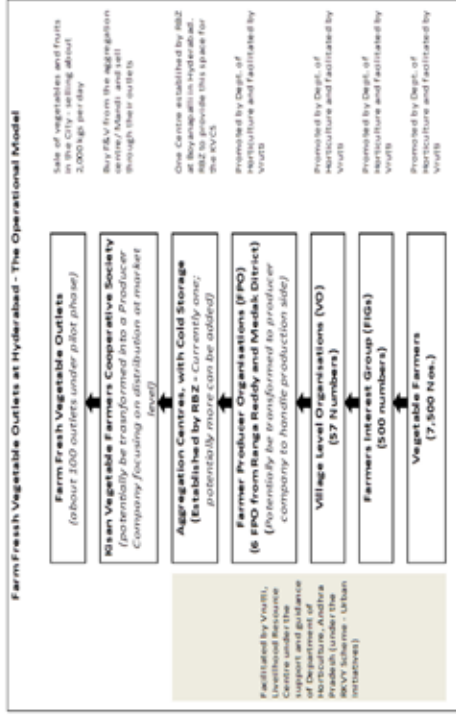
7

Manakuragayalu Project Key benefits

- Ensuring proper pricing for the products, decided participatively with the farmers and the officials
- Possibly, a space for storage of unsold products so that farmers do not have to make distress sale and can hold the produce for the next day
- A Centre where information to farmers can be ensured; and also facilitation of agricultural inputs, farm machinery, etc.

8

Proposed Operational Model



Proposed Operational Model

- At village level, the CEO RBZ/Marketing Department will procure produce of the farmers and grade the vegetables based on identified parameters.
- The vehicles with fully loaded vegetables of different types will travel to pre-decided 100 sales outlets for sale to customers in Greater Hyderabad.
- The vehicles will either deliver the vegetables to static points and in some cases they themselves will act as mobile sales outlets.
- Whenever and wherever there is a demand, door delivery of vegetables also will be taken up.
- The unsold vegetables to direct customers at the end of the day will be sold either to retailers or in bulk to institutions.

Proposed Operational Model

- The vegetables will be procured from Medak, Mahabubnagar and Ranga Reddy Districts
- 14 procurement centres were established.
- The produce will be brought to the distribution centres around Greater Hyderabad City to pool different types of vegetables from nearby procurement centres.
- Aggregate them and redistribute to different outlets by Rythu Bazars/Ag Market Department.
- The vegetable which are not available in and around of Hyderabad City could be bought from outside as well, to ensure all varieties of vegetables are available to the consumer by the farmers directly.

100 Outlets - Approach

- Two models for supply of vegetables to the retail outlets are being thought off – one by the RBZ which will deliver these at the retail points and the other is that the KVCS will invest on the vehicles and collect materials and distribute by themselves (financials for both are worked out).
- Space to store and display 2,000 to 3,000 kg of vegetables
- Store to be selected at a convenient location, accessible to consumers in that area
- The retail facility will be open on all days in the week
- The retail facility will be open from 6.30 a.m. to 8 p.m., with two shifts
- The receipt, unloading, etc. will happen from 5 a.m. onwards

100 Outlets - Approach

- Price fixing will happen every two days/ daily depending on the requirements
- Storing of unsold vegetables – retail outlet-wise, this will be taken back to aggregation centre and stored.
- It is expected that on an average the price of vegetables that will be paid to farmers at the aggregation centre is about Rs. 15 per kg; and KVCS will add about 35% more and sell the produce at about Rs. 20.30 per kg on an average.
- It is expected that the each outlet will on an average sell about 2 tons per day, which works out to 6,000 tons per month overall

13

Financial Viability

- The detailed financial analysis of the initiative has been carried out, which included the investment, operating costs, returns and basic financial ratios.
- Overall, the project is financially very attractive, with positive bottom lines from the Year 1, with the pay-back period of two to three years

14

Presentation : 5 Reuters Market Light(RML), by Amit Mehra

Powered By

Amit Mehra
Founder and CEO, RML

RML – Pioneer in Mobile-led Decision Service for Farmers

- Award-winning highly personalized, unbiased, and actionable information
- Daily SMSes to farmer’s mobile phone across all handsets and operators
- Powered by hundreds of RML’s local full-time content and agri professionals
- Empowering farmers to increase income, reduce losses and improve productivity



Krishidoot – Platform to Connect with the Agri Community

- Launched under the aegis of SFAC, Krishidoot is a shining example of Public Private Partnership in India
- Krishidoot brings together farming communities and agri businesses on an easy-to-use, universal ICT based platform
- Providing access to lakhs of farmers, hundreds of farmer groups and thousands of agri businesses, Krishidoot aims at adding a new dimension to significantly enhance the agri ecosystem in India



Krishidoot – Enabling Connect for the Agri Ecosystem

STEP 1: Farmer Profiling
Collection & validation of key farmer group information such as land holding, crops grown and mobiles

STEP 2: Education through RML Direct Service
Key members of FPO and farmer groups are given the award-winning, personalized RML Direct service

STEP 3: Aggregation of Farmer Group Requirement

- Aggregation at a farmer group level
- Calls at regular intervals to collect
 - Main Requirements: seed, fertilizer, pesticides, etc. and sale of crops
 - Service Requirements: warehousing, logistics, insurance etc.

STEP 4: Matching Offers

- Specially designed engine matches players
- Instant communication through sms / call / email / web portal

STEP 5: On-ground Support
Handholding and support by RML on-ground team to help close transactions



Krishidoot – Like the RML Mobile Service, Easy to Use

Welcome to **Krishidoot**, the leading information and market place platform for the agricultural community in India

Username: SEVA_SAMAR
Password: []
Log In

Forgot your password? | Forget username
Join Organisation

Connecting 6000+ agri-business, 200 Farmer Producer Organisations (FPO), 15000 Farmer Groups

Sign Up

Krishidoot – Local Languages

Enter Crop/Category

Connecting 6000+ agri-business, 200 Farmer Producer Organisations (FPO), 15000 Farmer Groups

Search Posts
Search from existing posts and use your criteria to refine the results.

My Activity
View your activity, posts made, responses and recommendations.

Make a Post
Create a post for what you intend to buy/sell and post it.

My Profile
View and edit your profile details and preferences.

Price | Weather | News | Advisory | Events | Communities

Connecting 6000+ agri-business, 200 Farmer Producer Organisations (FPO), 15000 Farmer Groups

Sign Up

Krishidoot – Relevant Searches

Enter Crop/Category

Connecting 6000+ agri-business, 200 Farmer Producer Organisations (FPO), 15000 Farmer Groups

My Location: Hyderabad | I want to: Buy | Category: Agri-Products | Sub-Category: FACED | Verify: Select Supply

Narrow your search
Select District: []
Quantity range in Quintals: [] to []
Go

Results matching your search

Gemsala Paddy 3,000 Quintals
Hyderabad, Sargur
View Contact

Gemsala Paddy 4,500 Quintals
Hyderabad, Sargur
View Contact

Connecting 6000+ agri-business, 200 Farmer Producer Organisations (FPO), 15000 Farmer Groups

Sign Up

Krishidoot – Aggregated Matches

Enter Crop/Category

Connecting 6000+ agri-business, 200 Farmer Producer Organisations (FPO), 15000 Farmer Groups

Gemsala Paddy 3,000 Quintals
Gargam, Hyderabad
Available from 23-Feb-2014 10:31 AM 2014

Company Name: India Vegetable Produce Company
Address: Gargam, Hyderabad, 504011
Member Name: []
Member Description: CEO
Contact No: 9886101114
Email: []
Contact

India Vegetable Produce Company has been contacted on your behalf

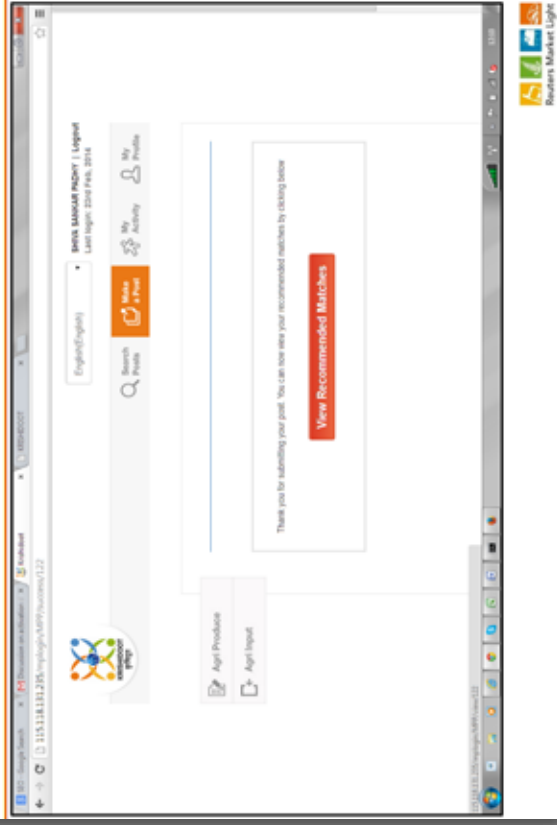
Connecting 6000+ agri-business, 200 Farmer Producer Organisations (FPO), 15000 Farmer Groups

Sign Up

Krishidoot – Wider Choice



Krishidoot – Personalized Recommendations



Krishidoot – Benefits Across the Value Chain

Benefits for Farming Communities

- Higher net price for produce
- Lower costs for inputs
- Higher productivity due to better information / quality / availability of inputs
- Choice and wider reach to market

Benefits for Agri -Businesses

- Wider access
- Availability of aggregated quantities
- Ease of business
- Better reach to farmer groups

267
FPOs

35k
Connects

20
States

10k
FIGs

6k
Market Players

216
Districts

User Testimonials

- Name: Dilip Katiyar
- Village: Birma, UP
- FPO: Baraur Farmer Producer Co. Ltd
- Benefit: Earned Rs. 80 to 100 more per quintal
- Name: Pradyum Gupta
- Location: UP
- Firm: Dharmendra Kumar Rajesh Kumar
- Benefit: Sourced cleaner, better quality produce

I am Dilip Katiyar, resident of village Birma, District Karwar Dehat, Uttar Pradesh (FPO name - Baraur Farmer Producer Co. Ltd.). I am a beneficiary of the Krishidoot Program launched by SFAC and FMI in 2013. With the support of the FMI, Team our FPO was able to sell Paddy directly to a big trader and was able to earn a profit of 8-10% per quintal more for our produce. I am grateful and thankful to SFAC and FMI for the Krishidoot Program.

I am Pradyum Gupta. My firm name is M.V. Dharmendra Kumar Rajesh Kumar, located at Raat Nawas Mandi in district Karwar, Dehat, Uttar Pradesh. We are into the business of procurement of agricultural commodities for the last 20 years. The produce procured from the farmers contains soil and other dirt matter which requires a significant amount of time and labour work to clean. Few months back we joined Krishidoot program run by FMI and SFAC and came to know that FPO under Krishidoot whose produce was found to be cleaner and of better quality compared to other farmers, hence we decided to offer them Rs. 80-100 extra price higher than the market price as we saved substantial amount of time and labour expense on cleaning. We are glad to be part of the Krishidoot initiative.

Path Ahead

- User-focused continuous innovation
- Grow partnerships to enhance impact
- Improve incomes, increase productivity, reduce wastage

Welcome Partnerships (and Feedback) to Enhance the Impact !



Powered By

www.krishidoot.in

Email: krishidootmpo@rmglglobal.com

Presentation : 6

New Age Marketing - Some Learnings, by Pankaj Kandelwal

INI FARMS | **KIMĀYE**

INI FARMS PVT. LTD. / PVT. CONSULTING PVT. LTD.
P-202, Universal Business Park, Chandrosai, Andheri (W) | Mumbai - 400072
Tel: +91 22 4258 0300 Fax: +91 22 4258 0311 Website: www.inifarms.com

ini
might & intellect

New Age Marketing – Some Learnings
25th February 2014

THREE THOUGHTS

Branding F&V

Post-Harvest: Domestic & Exports

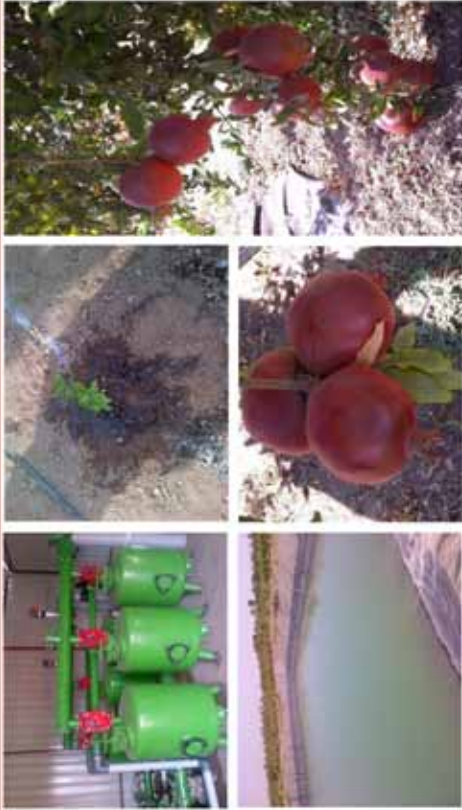
Impact on Back-end/Farming

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INI FARMS – Birdseye View

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Our Work



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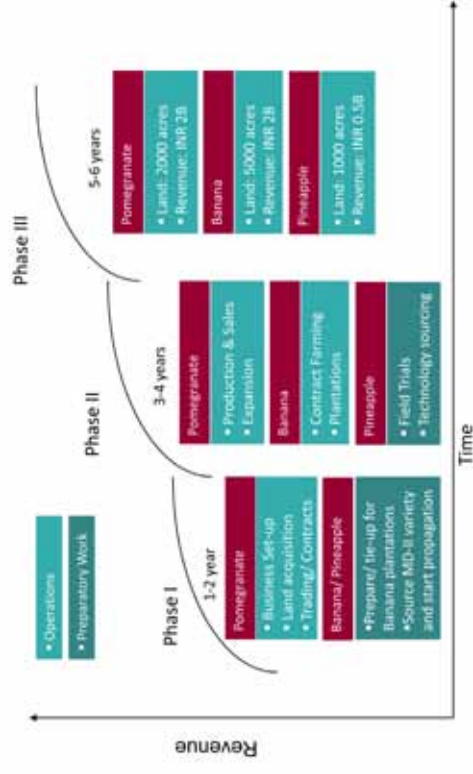
Business Overview

- Initiation**
 - Launched in Sep 2009
 - Promoted by Pankaj Khandelwal and Purnima Khandelwal
 - Angel Investment by Ashish Gupta (Hellon) and Pawan Vaish (IBM Daksh)
- Institutional Funding**
 - Aavishkaar invested in Feb 2010
 - Objective: To set up 1,000 Acres farms in MP and Maharashtra
- Opportunity**
 - To become the largest producer and exporter of Horticulture products (Pomegranate, Banana and Pineapple) from India
 - To have 10,000 Acres under management in 5 years
- Differentiation**
 - Innovative Business Model taking into considerations India specific constraints of Land Acquisition ensuring "backward linkages"
 - Enhancing productivity (2X) and Quality (3X)
 - Disintermediation
 - Large Scale operations

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5

The Path



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6

Inl Farms - Today...

- 1200 acres**
 - 1200 acres in pomegranate in own production, contract farming and trading
 - 200 acres in Banana contract farming
- 16 operating locations**
 - 1 Head office (Mumbai)
 - 3 sales offices (Amsterdam/Dubai/Delhi)
 - 5 pack-house/ processing location
 - 7 production sites
- 100 Employees**
 - 120 employees
 - 50 contract farmers
 - 10 loyal trading farmers
 - 500+ man-years of direct employment created
- 3500 tons of fruits (FY14)**
 - 300,000 pomegranate plants and 400,000 Banana plants
 - 1,500 tons / 6 Million pieces of pomegranate
 - 2,000 tons of Banana

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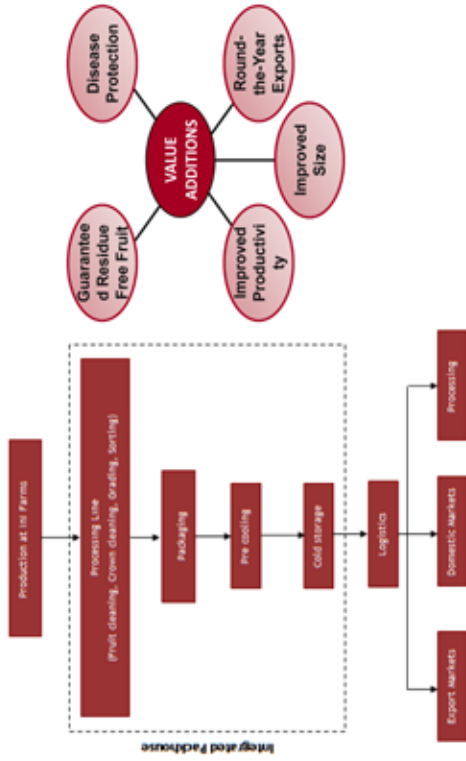
7

Inl Farms... in images

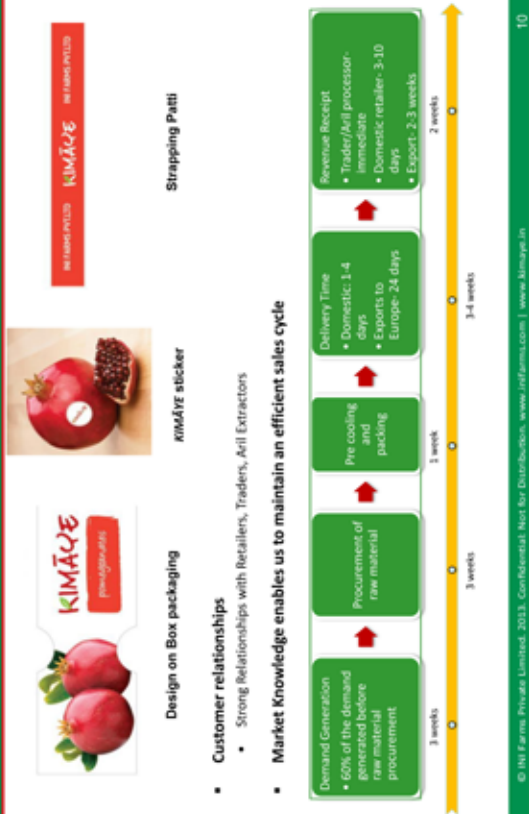


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More than selling products – Value Additions



Operational Excellence | Product branding and Sales Knowhow



Operational Excellence | Product Reach

- Inl Farms has a wide reach in exports market
- Inl Farms has exported to:
 - Netherlands
 - Germany
 - Greece
 - UK
 - Oman
 - Dubai
 - Singapore
- Strong ties with various customers in Europe, Middle East and South east Asia.
- Planning to enter new markets like New Zealand, Hongkong and Russia.
- Inl Farms delivers the same high quality fruit in domestic market also as in the exports market



Inl @ Fruit Logistica



Operational Excellence | Farm to fork



Integrated Pack-house



Pre-cooling chamber & cold storage for quality and shelf life



Box Packaging



10 fruits box packing



Pallet setting



Stuffed Container ready for dispatch



KIMOVE

Learnings

Operational Excellence | Farm to fork



Box Packaging



Pre-cooling chamber & cold storage for quality and shelf life



Integrated Pack-house



10 fruits box packing



Pallet setting



Stuffed Container ready for dispatch



KIMOVE

Branding F&V

Types of Brands

- "Location Brands" E.g. Washington Apples, Nagpuri Santra, Devgad Alphonso
- "Company owned brands" E.g. Pom Wonderful, Chiquita, Del Monte

Success Factors

- Round-the-year availability and "Consistent Quality" critical
- Consistent Quality cannot be ensured without farm-level interventions
- Farm-level interventions cannot be ensured unless market demands and requirements cannot be passed back to the farmer

Focus

- Location Brands helps the farmers in a targeted micro –manner
- Can be taken up easily at government/ industry level and interventions undertaken

Grapes Crisis: 2003 and 2009

The Problem

- Excess residue (more than allowed limits) leading to ban on Indian grapes in Europe in 2003 and 2009
- Almost 100% of value loss

Who Lost

- Entire supply chain
- Customers who had paid advances
- Exporters who has already paid farmers
- Farmers who had given some credit to exporters

Results

- The entire industry has become highly organized
- Farmers have developed the know-how to produce "safe-food" (though restricted to exports)
- Exporters and buyers do not take "short-cuts"
- **The market has grown 3-fold since 2009!**



KIMOVE



KIMOVE

THE STRANGE CASES OF....

POMEGRANATE

APPLE

BANANA

ONION



KIMÁVE

Post-Harvest Learnings...

Apple

- Store and Sell works in seasonal commodities with very long shelf life
- But buy-cheap-and-sell-dearer strategy does not work

Pomegranate

- Store and Sell in round-the-year commodities is difficult
- Consumers and Trade have a preference for fresh

Banana

- Value can be created but it requires an integrated approach – only looking at Post-Harvest in isolation may lead to problems
- Value creation has a cost associated with it – the market must be willing to pay for it

Onion

- Do not underestimate the importance of Value Capture – understand why you would be able to capture the fair share of value created

INI – Contract Farming Model

FARMER RETURNS

Premium of Rs 1.5 per Kg to the farmer compared to market price
Fruit with chilling injury, tip-over and left-over to be purchased at 50% of declared market price
Minimum guarantee price would be Rs 5 + premium per Kg for harvested fruit under contract

LOYALTY BONUS

Continuity of contract and 100% of quality produce to INI: Rs 0.05 per Kg extra next year
A category >70% : Rs 0.20 per Kg extra next year
A category between 60 to 70%: same rate
A category <50%: Rs 0.20 reduction in premium next year
A category <45%: discontinuation of contract
Once discontinued, rejoining fee would be Rs 10,000 per acre

INI RESPONSIBILITY

Accurate HARVESTING WEEK PROJECTION and report card preparation
Organise necessary technical support and input material on cost basis
Take care of Post harvest management
Provide few chemicals for quality requirement and technically critical (Rs 800 per acre per annum)

FARMER RESPONSIBILITY

Carry all production activity at own cost and labour and achieve Quality standards for export quality

MONTHLY REPORT CARD

Red: Reject
Yellow: Improve
Green: Accepted

Banana Contract Farming Model



KIMÁVE

END OF DOC

Presentation : 7

Sourcing and Marketing Organic Produce from Sikkim, by Siddhi Karnani & Anurag Agarwal

Sourcing and Marketing Organic produce from Sikkim

PARVATA FOODS

Siddhi Karnani

Anurag Agarwal

Indian Institute of Management - Ahmedabad

Class of 2013

Origination of the idea

The idea originated from a visit to Sikkim as a part of Shodh Yatra course (discovering oneself) under Padmashri Prof. Anil Gupta. We interacted with certain villagers who had left farming because of lack of market for their produce

We discussed the situation with professors at IIM-A and honourable MP Shri P.D.Rai Sir and came up with a business model to help the farmers by integrating them in the value chain and creating shared value

We have been in Sikkim for around 3 months. We met the agri department officials and have visited 21 villages, interacted with over 100 farmers, aggregators and traders to understand the agri-business scenario

We have also visited institutes like ICAR, CIPHET and CFTRI and agri business players like Jain Irrigation and Bharti Field Fresh to deepen our understanding of agri business

Parvata Foods: A Social Commercial Enterprise

Focus

- Our focus is to build value chains in Fruits, Vegetables and Spices from North East and Eastern India.

Social aspect

- Elevating the living standard of farmers of difficult/hilly areas by integrating them with main value chain (by eliminating unnecessary multiple middlemen)

Commercial aspect

- The products are organic or pesticide residue free, witnessing increasing demand from west
- Value addition via processing, packaging and branding

Our major findings (1/2)

Traditional methods of farming are still used by the farmers.

Farmers are provided with all the inputs free of cost which make them reluctant towards hard work. The government is busy sitting the farmers instead of hand holding them.

There is no differentiated marketing for organic products of Sikkim outside the state. It goes to Siliguri mandi along with non-organic products from other NE states and then to Delhi mandi.

There have been certain instances where the government has tried to promote certain crops and have kept the purchase price so high that it becomes non-competitive in the domestic market. The government then incurs a loss in disposing off those products at a mark down.

Agri department creates false expectations by promising retail prices in Delhi, Mumbai and Australia to the farmers. This becomes detrimental for agri processing as the farmers start expecting unrealistic price for their produce.

Our major findings (2/2)

There is minimal extension service being provided to the farmers and hence the productivity is much lower than national average

The farmers are not aware about contract farming which is a major difficulty for agri processing

The agri department does not have correct production and productivity data and whatever data is available is far from reality

The agri department distributes green houses for promoting vegetable cultivation. However, the distribution of seeds is not planned to take advantage of off-season vegetable

Sikkim was known for the largest production of Large Cardamom in the world. However, viral diseases have destroyed most of the plantation and revival through disease free plantation is taking place in a very slow manner. This has resulted in drastic reduction of large cardamom from the state

Fresh Ginger – Export (failed attempt)

China dominates the world market in ginger trade. However, due to excessive cold, it cannot cure ginger for export during November to February. That is the time of ginger harvest in Sikkim and thus Sikkim has seasonality advantage for ginger export.

Discussions with foreign buyers & consultants show that it is **not possible to export the**

current crop of Sikkim :

- 50th generation planting material with no vigour left
- Highly prone to diseases
- Non-uniform rhizome size
- No facility for proper curing and skin setting resulting in mould growth

If we try to export:

- Grade-out will be very high adding remarkably to the cost
- High probability of mould growth in transit and container being rejected

Solutions:

- Give fresh tissue cultured planting material and agronomy support to the farmers
 - Land required for seed multiplication
 - Buy-back guarantee / contract farming agreement with the farmers
 - Developing cold chain infrastructure
- This will require support from government and 2-3 years before commercial activity starts

Business Model

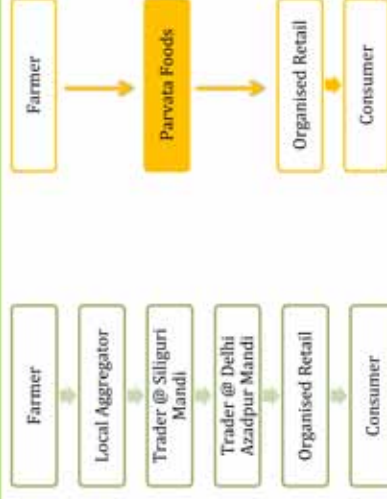


The model is built on the concept of direct procurement from farmers involving integrated handling, storage and transportation service

The commodities will be procured directly from the farmers by setting up primary collection centres (movable) at the farm level, taking the help of Gram Panchayat Units (GPU). This will reduce the dependence of farmers on mandis and commission agents

The goods will flow from primary collection centres to central processing plant, where sorting, grading, processing and packaging will take place before dispatching to the consumers

Delivering more value to the farmers



80% of the savings from removal of margins and commissions by eliminating non value adding middlemen at each step is transferred to the farmer and a win-win relationship is developed

Fresh Ginger – supply to organised retail

PARVATA FOODS

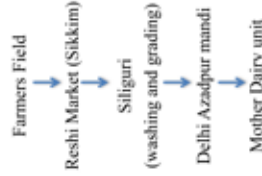
We are currently supplying fresh ginger to Mother Dairy and Reliance Fresh in Delhi and Ahmedabad.

Ginger from South India dominates the market and it is harmful for health

There is use of chemical fertilizer and pesticides which increases the size of rhizome

The trader lobby has created a false impression that quality of ginger should be judged by the size. Also, ginger is washed by acid in Azadpur mandi to make the surface shine

Logistics:



Difficulties in dealing with organised retail

The organised retail also believes in the theory of 'size is quality' and refuses to take the NE ginger which is small in size due to no use of chemical

Also, the organised retail has several grades (MD has 4 grades) and we have to bear the **price** and **quality** risk till the product is graded at their facility. Since the volume in organised retail is low, we have to send our consignment as part load in a 15MT full truck. The part load trucks are not always available from Siliguri

High working capital requirement since the payment cycle is 10-15 days

Positive Experience at Mother Dairy and further plans

PARVATA FOODS

We have been successful to explain MD that the NE ginger is better in taste and smell and these parameters should be considered while determining the quality and not the size of the rhizome

They have agreed to pack the NE ginger and label it as naturally cultivated under North Eastern / Himalayan brand name

This will create visibility about the NE products and their quality and will lead to opening of more markets for other products from NE as well

We intend to set up a small facility in Delhi for grading, distribution and packing

This will provide us another quality control point near to the customers

This will also enable us to find a better market for the grade outs which can be supplied to processors such as paste and pickle industry

Future Plan – New Product Portfolio

PARVATA FOODS

Mandarin Orange from Sikkim and Kalimpong

Huge potential to build Value chain to Delhi

Wasting unit at Siliguri is required

It is one of the sweetest orange in the world.

It comes during December and January when there is no other table variety citrus available in India

The skin is very thin which makes it not suitable to travel long distance

We are in talks with UPI for help regarding waxing with the use of substances which are safe to be used in food products

Tentative New Products

Buckwheat from Sikkim

Mango from Malda (north part of Bengal)

Pineapple from Bidhan Nagar (north part of Bengal)

Litchi from Bengal and Bihar

Future Plan – Processing of spices

PARVATA FOODS

Demand from Europe for organic/pesticide free spices

High grade-outs when supplying to organised retail

Need for processing to add value and derive benefit from grade-outs

Existing spice processing unit in Sikkim under lease to Simfed (govt mktg org)

It is almost sick and is rarely operational

Unhygienic - no food safety → product not accepted in global market

Labour issues

Outdated machinery → improvement / addition required

We are in talks with Sikkim agri dept to take over the plant and revive it; we will require complete operational control over the plant

We have visited Jain processing plant and are in talks with machinery suppliers to improve the plant

We are also in discussion with food safety and HACCP consultants to streamline the production

Expected capital investment of Rs. 50 lacs with capacity of 1 MT / day of finished product (current actual capacity < 100 kg / day)

This will give farmers a market for their produce of 5 MT / day → ready market will encourage the farmers to undertake modern cultivation

THANK YOU
for your
time and support

Presentation : 8

Krishi Star (Integrating Farmers in the Value Chain), by Bryan Lee



Integrating Farmers in the Value Chain

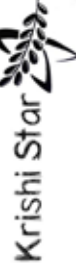
National Conference on New Age Agri-marketing Solutions
25th February, 2014

Introduction

Our Vision

End poverty for small farmers

1. Greater ownership in value chain
2. Sustainable market access
3. Vehicle for investment capital



Introduction

The Team



Bryan Lee Co-founder

- MBA, Kellogg School of Management
- Cornell University
- IFarms, Agribusiness
- Private Equity
- Accenture



Arnav Saxena Co-founder

- B.Tech, Agricultural and Food Engineering & MBA, IIT Kharagpur
- Strategy & Operations, Deloitte



Agastya Chopra Head of Marketing

- Anca Leathers
- Gala Conservation
- Business Management, Rochester Institute of Technology



Katia Kolomyitseva

- Finance
- Auditor, Cap Gemini
 - PWC
 - HEC Paris
 - University of Southampton

Introduction

The Team



Vidhu Saxena

- Design
- Apeejay SAP-UPTU
 - IIT Delhi



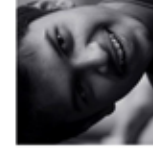
Rohini Vaze

- Sales
- Service Marketing, Tata Motors
 - College of Engineering Pune



Ankit Mishra

- Associate
- BBA, NMIMS University



Sushant Kamble

- Sales
- Youth Advisory Board, DDB Mudra Group
 - St. Xavier's College

Impact model

Build network of farmer-owned capacity and link to markets



Impact Model

Identify market opportunity



Impact Model

Match market to production capabilities



Impact Model

Liaise with farmer groups



Impact Model

Connect with financing entities



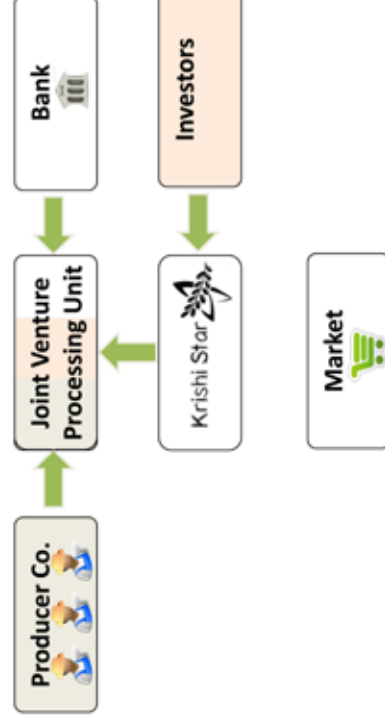
Impact Model

Bring in investors



Impact Model

Leverage commercial capital to form joint venture unit



Impact Model

Farmers completely own the unit



On the ground
Example Market Opportunity - Peeled tomatoes for Italian Restaurants

Imports



Fresh



Krishi Star



- Expensive

- Inconsistent quality
- Time-intensive

- Affordable
- Quality - Field Fresh
- Fast - Ready-to-use



On-the ground
Operations

Current
 •Vansda (VAPCOL/BAIF)
 •Market: Mumbai



Next
 •Narayangaon, Sinnar
 •Market: Pune, Export

Scale
 •HP, Karnataka
 •Market: Delhi, Bangalore, etc Pan-India

On the ground
Impact to date – Vapcol unit / peeled tomatoes

Procurement

Rs 3.5 Lakh procured from market

Production

Rs 2 Lakh

Employment

7200 Worker-hours created

Envision

Impact at Scale

Per Farmer



- 300% - Income
- 80% - effective price

Scale



- 100,000 farmers
- 600 jobs

- Farmer ownership in value chain
- Investment Vehicle
- Market Access

Envision

Let's build rural economies together!

- Unit management / technical expertise
- Market linkages
- Investor sourcing



Bank



Farmers



Investors

Market



- Working capital for market building
- Facilitation of farmer investment
- Linkages with farmer groups

Thank you

Generation to generation, our problems have been the same.

Farmers' problems cannot be solved.


Presentation : 9

Sourcing Produce from Farmers - Models & Challenges, ITC, by Sachid Madan





Sourcing Produce from Farmers- Models and Challenges

- The current Mandi model is time tested and been around
- Why Change it ?
- What's wrong with it ?
- Not very much ? It just got spoiled as it became a monopoly
 - ↳ No one model can work pan India
 - ↳ Need multiple models-The Mandi's will co-exist
 - ↳ Farmers like any of us need options
 - ↳ Different businesses have different needs
- Our Models are designed to meet these specific needs



MODEL 1

BULK



ITC's e-Choupal solution

Empowering the Small and Marginal Farmer

World's Largest Rural Digital Infrastructure

ITC's e-Choupal Solution

Creating :

- Digital Infrastructure
- Human Organisation
 - Trained Lead Farmers for operations
- Physical Infrastructure
- Agriculture Extension services
- Community Assets



ITC's e-Choupal Solution

- Customised Extension Services
- Weather Information
- Price Discovery
- Market Access at Farm Gate

Thereby, Empowering Small and Marginal farmers



Connectivity through Lead Farmer

6500 e-Choupals cover around 40,000 villages benefiting 4 million farmers

eChoupal has evolved over the years

- Hub and Spoke 40-60 choupal's => Warehouse + FTC.....
- Choupal Sagar => Agri inputs+other needs
- Finance
- Farmer mela's
- Haat's
- Animal Husbandry-Women Empowerment.....
- More commodities—3P supplies-Traceability-Quality.....



Animal Husbandry-Women Empowerment.....

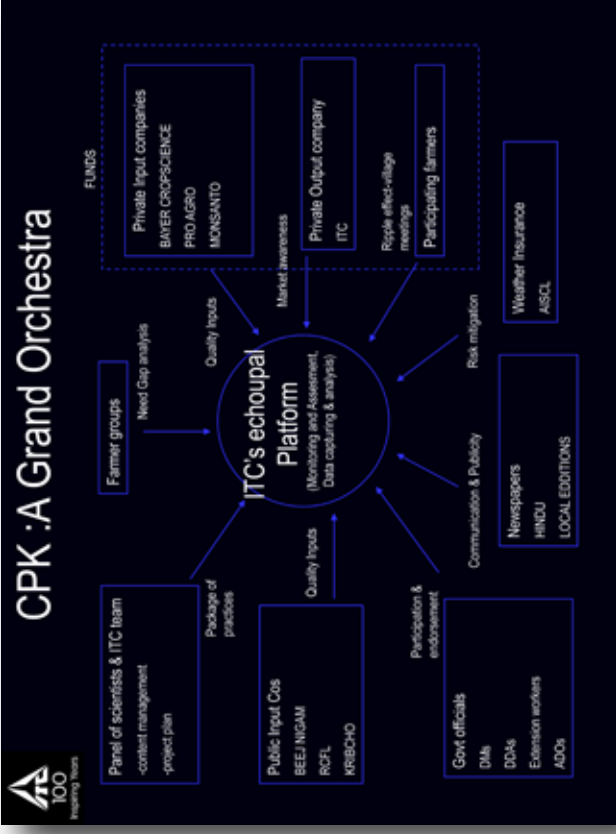
More commodities—3P supplies-Traceability-Quality.....



चौपाल प्रदर्शन खेत



- Twin Objectives- Demonstration of the Latest Technology
- Awareness of what the market wants- Variety, Grading, Traceability, Organic
- His produce gets but value addition happens at the Mandi ?



Sowing to Harvest



Demonstration Farms
Choupal Pradarshan Khet



What do we procure ?

- Wheat-Variety, Traceability for us and others
- Area Expansion
- New Geographies for our Aashirwad Atta business
- Value to both farmer & company
- Soya
- Quality
- Value
- Rice-Non Basmati
- Largest exporter from India
- Now- Zero
- Government Restrictions

MODEL 2

NICHE



Value Addition

ITC - BAIF Dhruva - VAPCOL

- Connects to 1500 Small & Marginal Tribal farmers in Vansda, South Gujarat
- Average Land holding < 1 Acre



Conception	<ul style="list-style-type: none"> ✓ Identification & Registration of Farmers' group ✓ Trains BAIF on Compliance Criteria for the farmers ✓ 3rd Party Organic Certification
Pre-Implementation	<ul style="list-style-type: none"> ✓ On Farm Demon/ Training on Good Agricultural Practices ✓ Supports BAIF on Training by providing adequate resources ✓ Implementation of Internal Control System (ICS)
Implementation	<ul style="list-style-type: none"> ✓ Aggregation, packing & dispatch from Collection Centers ✓ Timely payment for the raw material ✓ Processing & Marketing of Finished products
Monitoring & Review	<ul style="list-style-type: none"> ✓ Maintenance of Documentation & Organizing Internal Inspections ✓ Organizing Audits/ Internal Inspections ✓ Hand-holding through ICS management process



Partnering with Govt., Developmental Agencies
ITC - ITDA (Govt. of AP) - Mandala Mahila Samakhya (MMS)

- Connects to 1411 Small & Marginal Tribal farmers in Srikakulam, A.P.
- Average Land holding < 1 Acre



Conception	<ul style="list-style-type: none"> ✓ Identification & Registration of Farmers' group ✓ Trains ITDA on Compliance Criteria for the Members ✓ 3rd Party Organic Certification
Pre-Implementation	<ul style="list-style-type: none"> ✓ Provides Resources for Training Programs ✓ Organizes Field Demon/ Trainings on Good Agricultural practices ✓ Implementation of Internal Control Systems (ICS)
Implementation	<ul style="list-style-type: none"> ✓ Providing support for sourcing at farm levels ✓ Timely payments for the raw material ✓ Processing & Marketing of Finished products
Monitoring & Review	<ul style="list-style-type: none"> ✓ Maintenance of Documentation ✓ Organizing Audits/ Internal Inspections ✓ Hand-holding thru ICS management process

- Connects to 101 Mango Growers in Krishnagiri, Tamil Nadu
- Average Land holding < 6 Acre
- Premium Flow back directly from the end-user to SMGA
- Utilized for the Socio-Economic Development of the community



Conception	<ul style="list-style-type: none"> ✓ Identification & Registration of Farmers' group ✓ Training SMGA on Compliance Criteria for the Members ✓ 3rd Party Fairtrade Certification
Pre-Implementation	<ul style="list-style-type: none"> ✓ Visiting Model Farms/ On Farm Demos ✓ Supports SMGA for Training on Good Agricultural Practices by providing adequate resources ✓ Implementation of Internal Control System (ICS)
Implementation	<ul style="list-style-type: none"> ✓ Aggregation, packing & despatch to Processing Units ✓ Timely payments for the raw material ✓ Processing & Marketing of Finished products
Monitoring & Review	<ul style="list-style-type: none"> ✓ Maintenance of Documentation ✓ Organizing Audits/Field Visits ✓ Ensuring Proper Utilization of Fairtrade Premium ✓ Head-holding thru ICS management process



Farmers

- Market access
- Timely payment
- Assured premium for their produce
- Reduced dependence on intermediaries

Partners

- Established as a trusted entity for improving the quality of lives of Rural Communities
- Community Development through utilization of the surplus in other activities e.g. Watershed/ Livestock

ITC

- Assured & timely supplies of raw material
- Establishing ITC as a leading supplier of Certified Mango pulp
- Round the year engagement with farmers

Challenges-Scalability

MODEL 3

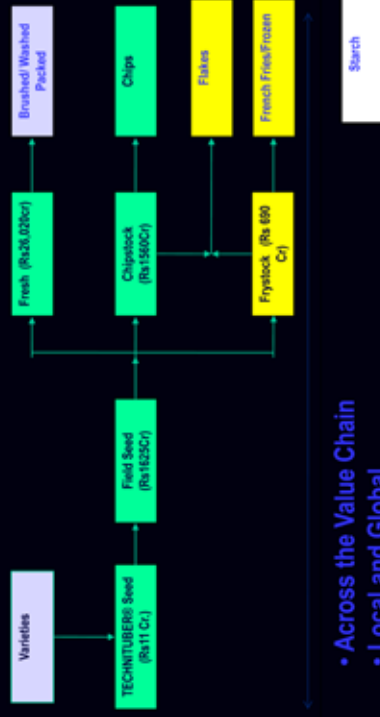
End to End



Potato Business



Potato Value Chain (Rs. 30,000 Cr.)



- Across the Value Chain
- Local and Global

Seed Potato

- Location-Aphid Free Window
- Quality Farmer-Disciplined & Willing to Change
- Training-Something New
- Entire package-inputs, Finance, Agronomy, Packaging, Machines....
- Subsidised-Assured buy back
 - Fixed Price
 - Incentive-help in case of natural calamity
- Challenges
 - Contract farming laws-one sided
 - Diversion-by competitors & Traders
 - Deviation from Norms by a few
 - Market Price changes

Chipstock

- Different Models
 - Contract Farming
 - Farmer takes Agri Risk-Company takes price risk
 - Inputs, Training, Ag Support, Irrigation.....
 - Fixed Price
 - Fixed Price-One way
 - Market Price
 - Shared Farming
 - First right of refusal
 - Open

Country	Production (mln MT)	Yield MT/Ha
USA	19	45
Canada	5	31
Germany	12	42
India	40	19

Country	Yield MT/ha
India	Yield MT/ha
Gujarat	27
Processing	40-50

Others-Spices-Agro Forestry



Some Success Mantra's

- Access to Market-critical
 - ↳ A value added access allows greater investment
 - ↳ Creates more value for both us and the farmer
 - ↳ Sustainable
- Crop Knowledge and Expertise
 - ↳ Adopt, Learn, Adapt, and Excel-Update
 - ↳ Provide the best inputs and not the best margin
- Differentiated-what's special that you are offering
- Scale-critical to cover costs in affordable way
- Should be able to weather "policy changes"

THANK YOU

Presentation : 10

Farmer Producer Company Experience of Madhya Pradesh, by Asish Mondal

Farmer Producer Company Experience of Madhya Pradesh

SFAC-NCDEX National Conference on New Age Agri-Marketing Solutions
New Delhi

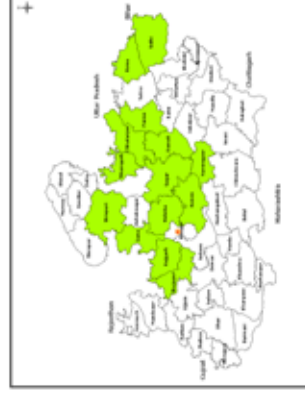
25 Feb 2014

Background

- ✓ In 2005, MP-DPIP & ASA incubated the idea of FPC as Federation of CIGs as service outfit with commercial outlook
- ✓ ASA was the Technical agency for DPIP to carry out the assignment in turnkey basis
- ✓ By 2006-07, 14 FPCs were incorporated, average membership of 2000 farmers per FPC
- ✓ GoMP extended full support to this initiative

The Area where it started

- ✓ Predominantly socio-economically backward community (> 80% SC & OBC)
- ✓ Rain-fed agriculture, < 15% land under irrigation,
- ✓ Crop intensity is < 100
- ✓ Soybean as main crop also, there are pulses, wheat, corn
- ✓ Infrastructure and services – Poor
- ✓ Forest resources - poor

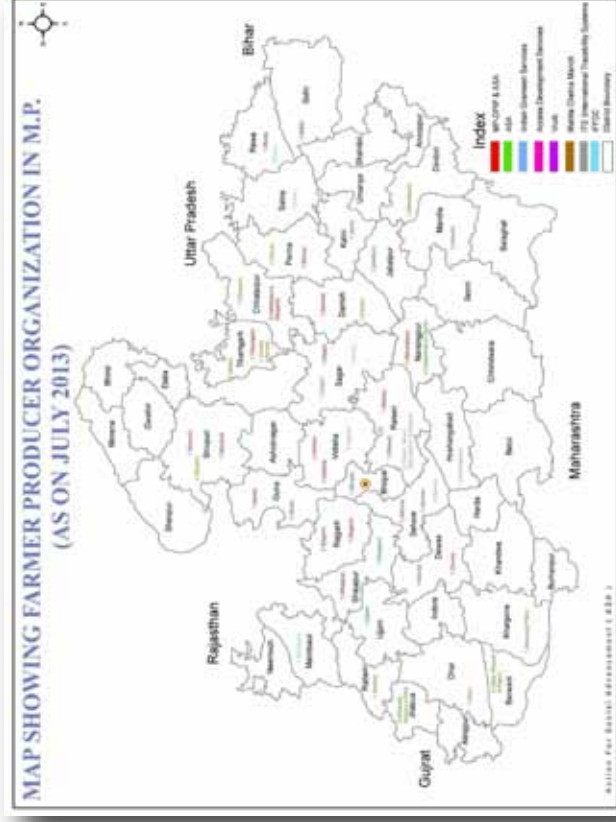


The Pilot.....

- ✓ Pilot phase from 2006-2009 with 14 FPC only
- ✓ Thinking was that one FPC per dist. to cover all CIGs
- ✓ Each FPC was supported by a Management Team,
- ✓ ASA & DPIP for technical support including policy advocacy in favour of FPC in M.P

The Expansion.....2010 onwards

- ✓ Many Promoters – DPIP, RLP, SFAC & NGOs
- ✓ More than 70 functioning FPCs as on date, will be >100 by year end
- ✓ Av. member in new FPC is about 1000-1200
- ✓ Initiative of a State Level Umbrella Company has begun



Business Mix of an FPC – typical

- ✓ Crop seeds production - Certified and foundation level
- ✓ Contract farming / market linked production of
 - Responsible Soybean,
 - Better Cotton,
 - Hybrid seeds,
 - Responsible Chili
- ✓ Trading - aggregation of farm produce and sell mainly for corporate
- ✓ Agri-inputs supply
- ✓ Agri. extension services mainly thru. grant support

Volume of business & services

- ✓ Av. Rs.3 cr. is the turnover for a company by its 4th. birth day & profitable
- ✓ Total turnover was over 100 cr. in 2012-13
- ✓ 1 Lakh Qtl of Certified, Foundation, Hybrid seeds produced every year
- ✓ Provide extn. services every year to over 50000 producers of Better cotton & Responsible soy (3rd. Party certified crops & market linked)

Volume of business & services

- ✓ Bulk supplier of Agri inputs, accepted as member of MARKFED
- ✓ Business linkage with at least 75 big & small agribusiness companies
- ✓ Authorized to procure pulses under the MSP

Production & Marketing of Better Cotton & Resp. Soya

- ✓ Both are certified commodity under the Internationally acclaimed sustainability code; established traceability system
- ✓ More than 10 FPCs are currently engaged in Resp. Soya; and five for Better cotton in M.P. since 2009
- ✓ With over 50000 farmers, and nearly 80000 ha.
- ✓ Started in 2009 with few FPCs, growing with the expansion of demand

Supply chain – Better Cotton

- ✓ Ginning factories are linked for the Better cottonbrands & retailers
- ✓ Farm-gate procurement, fair practices helped shortening the supply chain
- ✓ FPC works on service charge basis (1% of the transacted volume)
- ✓ Gain at producer's end estimated to be Rs. 150-200 per quintal
- ✓ In 2012-13 the total volume of the trade for BC was nearly Rs. 14 Crore (about 25% of the BC could be sold)
- ✓ Over 95% members want their FPC to continue and grow

Supply chain – Resp. Soy

- ✓ It is a certificate trade in the IT platform
- ✓ Buyers are mainly the Corporate from Europe – commitment for sustainable sourcing
- ✓ The Indian Soy processors are yet to respond to this market mainly due to lack of demand from the domestic and international buyers
- ✓ However, some processors (MNCs) have started showing interest because of corporate commitment (I guess), and rising demand for Non-GMO soy in Europe
- ✓ Through certificate trading about Rs. 50 lakh is annually accrued to the producers as premium (payment for eco service).

Thank you

Presentation : 11

Market Led Extension in Vegetables through FPOs, by Bhaskar Reddy

Market Led Extension in Vegetables Through FPOs

S BASKAR REDDY
Syngenta Foundation India

What farmers want



Using the Principles of Aggregation at Every Stage

- **Production**
 - i. Organizing farmers into small groups
 - ii. Encouraging lead farmers
 - iii. Regular extension services
 - iv. Promoting poly house for raising seedlings
 - v. Facilitating agri inputs to farmers
 - vi. Introduction of new technologies
 - vii. Establishing demo farms
 - viii. Developing training tools for improving production
- **Marketing**
 - i. Grading and sorting
 - ii. Establishing collection centres cum information centres
 - iii. Encouraging collective marketing
 - iv. Establishing relation with wholesalers
 - v. Undertaking market survey
 - vi. Providing market prices to farmers

Collective Marketing Procedure



Haat to Wholesale Markets



Production and Value Realization in 2013-14

4000 Farmers

Particulars	Kharif (M.T)	Rabi (M.T)
Total Production of Vegetables in M.T	6987.00	7388.00
(a) Organized Marketing	3634.00	4164.00
(b) Un - Organized Marketing	3353.00	3224.00
Total Value of Produce INR Lac	478.82 (Lacs)	538.00 (Lacs)

syngenta foundation
India

Income from Vegetables

Crop	Per acre Production MT	Average Price Rs/Kg	Total Income Rs./Acre	Expenditure Rs./ Acre	Net profit in Rs/ acre
Okra	3.2 MT	13	42000	15000	27000
Bitter Gourd	6.68 MT	11.5	77000	22000	55000
Chilli	3.65 MT	17.5	64000	15000	49000

syngenta foundation
India

Export of Vegetables through FieldFresh Foods

Year	Kharif Quantity MT	Rabi Quantity MT	Total Quantity MT
2011-12	Chili -	Chili 1.90	1.90
2012-13	Chili 18.50	Chili 12.50 Fine Beans 6.00	31.00 6.00
2013-14	Chili 7.50	Fine Beans ongoing	7.50
Total	26.00	20.40	46.40

Exporting of Vegetables through Kaybee Exports has begun this season

syngenta foundation
India

Collective Marketing



syngenta foundation
India

Learning's in the Last 4 Years

- Successful Implementation of MLE in Vegetables
- Significant increase in income of marginal farmers
- Ensuring nutritional security of tribal farmers
- Introduction of modern agriculture technologies
- Organizing farmers into small groups
- Facilitating agri inputs to farmers
- Establishing collection centres cum information centres
- Encouraging collective marketing
- Developing low cost extension agents or ajivika mitras



Only Limiting Factor is Skilled Human Resources

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India

Human Resources

- Training and Deploying Barefoot Extension Workers (BEWs): Class X or Class XII pass outs from project area ; Intense training on specific crops
- Training Agri-entrepreneurs (Knowledge management, inputs supply, services and output management)
- FPO managers training jointly with SFAC



syngenta foundation
India

Thanks



syngenta foundation
India

Presentation : 12

Spices Marketing by Ranthambhore Agro Producer Co. Ltd.(RAPCL), by Shubhendu Dash



Spices Marketing by:
Ranthambhore Agro Producer Co. Ltd. (RAPCL)



Supported by:
Rashtriya Krishi Vikas Yojana, GoR



Promoted by:
ACCESS Development Services

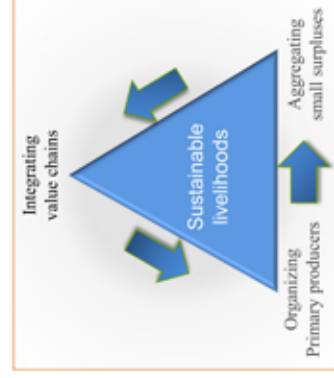
Registered office:
Ward No 13, Nr. Chauth mata temple, Neem Chauki, Sawai Madhopur City, Rajasthan,
Email- cmrapcl@gmail.com

ACCESS Development Services - Promoter of RAPCL

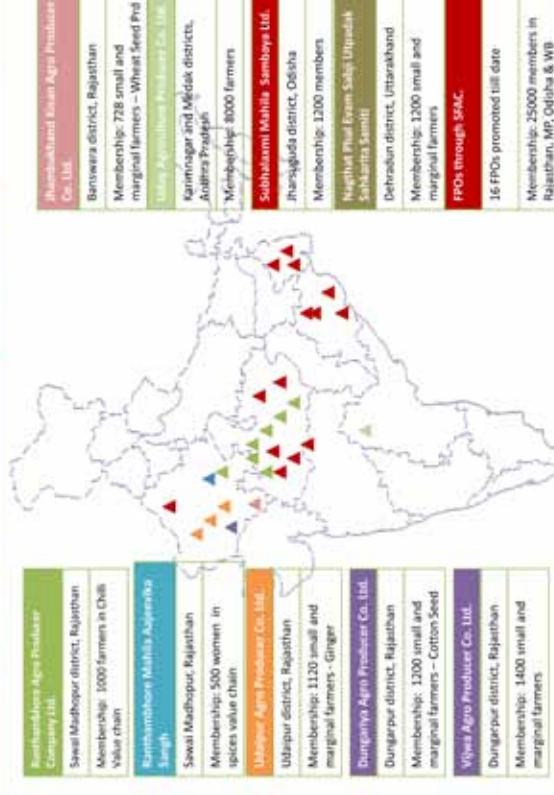
- Incorporated on March 1, 2006, as a Section 25, "not for profit" company facilitated by DFID (Govt. of UK)
- Working in 7 poorest states of the country
- 80% of its work is focused on agriculture based livelihood promotion
- Promoted 31 FPOs till date. Another 27 FPOs are under the process of registration
- Key partner on FPO promotion with GoI through SFAC
- Lead resource agency in Rajasthan for State level FPO forum

Sub Sector Interventions: Three prongs of the ACCESS Livelihoods Strategy

- **ORGANISING**
Organizing primary producers is critical for their sustainable livelihoods to access resources, inputs, markets and entitlements
- **AGGREGATION**
Aggregating small surpluses of the poor proves a viable mechanism for generating economies of scale, attracting input suppliers and negotiating with markets...
- **INTEGRATION**
Integrating the producers in the value chain to interface with input suppliers, credit providers, technology providers, with markets is a long term / sustainable strategy



Producer Organizations promoted by ACCESS



About Ranthambhore Agro.

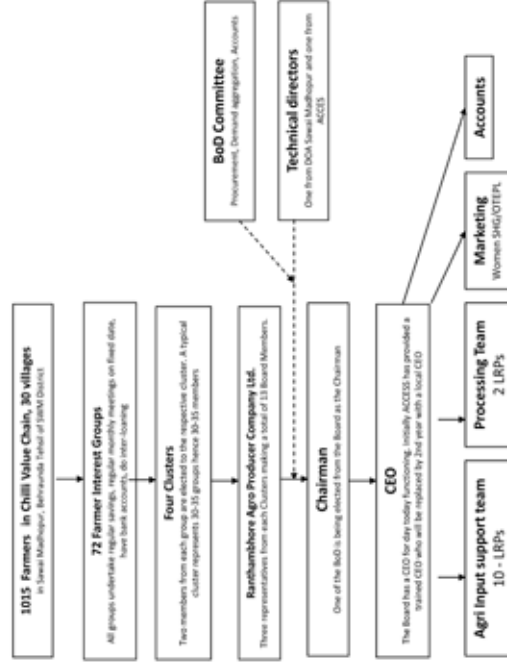
SN	Particulars	Details
1	Name of the Producer Organisation (PO)	Ranthambhore Agro Producer Company Ltd.
2	Registered under Act	Sec IX (A) of the Company Act 1956
3	Registration No.	U01122R02012PTC038221
4	Name of Contact Person	Ramjal Maali (Chairman)
5	Mailing Address, Phone, email	Ward No-13, Mr. Chauhan Mata Temple, Old City, Sawal Madhopur, Rajasthan - 322021, M: 9829464642, cmragc@gsmsail.com
6	Date and Place of Registration	15 th March 2012, Jalpur, Rajasthan
7	Authorized Share Capital	Rs 10 Lakh
8	Paid up share capital	Rs 10 Lakh
9	Legal documents	TIN, PAN, Fertilizer/Insecticide/Seed/Mandi/FSS license
10	Total subscribers in the FPO	1015 farmers
11	Total Farmer Interest Groups	72
12	Percentage of Small producers in the PO	74%
13	Focus area of activities	Agri inputs, Financial services, Value addition and market linkage of produce
14	Turnover during FY 2012-13	Rs 18.25 lakh
15	Turnover Apr 2013-Dec 2014	Rs 37 lakh
16	Number of Board of Directors (13+1+2)	12 Male, 1 female, 1 CEO & 2 Expert directors
17	Business plan prepared	Yes

Mandate of the RAPCL

- Improved PoP
- Ensure timely availability of Agri-inputs for the member farmers at an affordable price
- Act as a catalyst for new technology transfer
- Provide common platform for the member farmers for aggregation and higher bargaining power in the market
- Undertake value addition of Agri-commodities for higher return on investment
- Establish a Spices Processing HUB for the region



Organization structure



Governance structure

SN	Name of Director	Village	Cluster	Mobile no.
A Farmer Directors				
1	Ram Lal Maali (Chairman)	Aalampur	Sawal madhopur	9829452522
2	Ms. Pushpa Yadav	Lashoda	Lashoda	943922686
3	Shohan Lal Sani	Khilchipur	Shyampura	9660639544
4	Pream raj Salin	Juwar	Sawal madhopur	9799635484
5	Girraj Prashad Sharma	Padli	Shyampura	9462392589
6	Ram charan Sani	Khwa	Shyampura	9877129584
7	Gaja nand Jath	Kustala	Sawal madhopur	9460441511
8	Ram Hari sani	Chaan	Behraunda	9982944161
9	Mahendra Khsual	Alhapur	Behraunda	8104918058
10	Mohan Lal berwa	Ganga Nagar	Behraunda	9828718237
11	Mahavir Berwa	Badar Ganj	Lasoda	7665784582
12	Shiyaram meena	Lasoda	Lasoda	8764124985
13	Shivraj Yadav	Dangarwala	Lasoda	9680147976
14	Satish Bansiwai	CEO	Local	9982434329
B Honorary Directors				
1	O P Yadav	Expert Director – Tech.	Dept. of Agriculture	9414340666
2	Shubhendu Dash	Expert Director – Mktg.	ACCESS	9887421437

Key Stake holders

- SFAC Gol – RAPCL is the CFA For Rajasthan
- Rashtriya Krishi Vikas Yojana, GoR
- Indian Polash Ltd.
- Rajasthan State Seeds Corporation Ltd.
- Rajasthan State Farmer Producer Forum
- Friends for women world banking
- IDBI Bank
- ICICI Bank
- HDFC Bank
- Nico orgo manures
- Netafem irrigations
- Modern agro farm solutions
- District agriculture department
- Krishi Vigyan Kendra
- ICCO
- HSBC Bank

RAPCL has availed a loan from FWWB for Rs 15 lakh and re-paid the same within three months after the input season

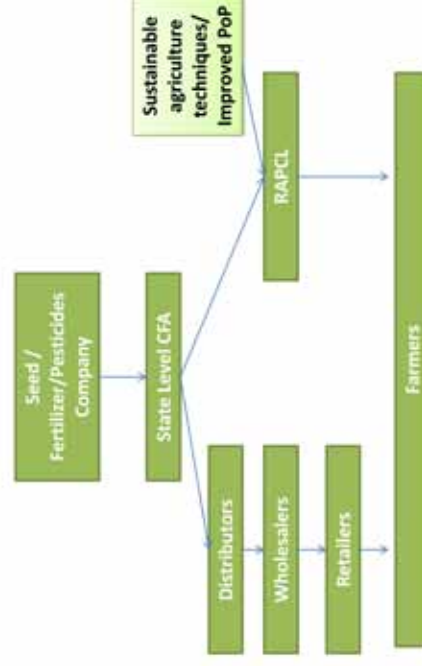
The chilli value chain dilemma

Steps	Transaction to	Value addition activities	Net value transferred	Cost involved	Net value added Rs
Farmer level	Sells raw red wet Chilli 1000 kg to Trader @ Rs 10/kg	General sorting & grading capturing little or no value	Rs 10000	Rs 7000 against seeds, fertilizers, pesticides, water, electricity & labour	Rs 3000
Trader level	Trader gets 220 kg of dry Chilli out of 1000 kg wet unit @ Rs 80/kg of dried Chilli	Top plucking, sorting, grading & drying in open under sun using 3-4 man days	Rs 17600	Rs 2400 @ Rs 2/kg	Rs 5200
Grinding unit level	Grinding unit gets 210 kg powder out of 220 kg dried Chilli and sells it in bulk @ Rs 120/kg	Sorting, grading and powdering. Using ½ man-day and two units of electricity	Rs 25200	Rs 1100	Rs 6500
Packaging & Marketing Channel/ unit	Packaging unit gets 210 kg powder and sells it to trade (CKF-agent) @ Rs 160/kg which has MRP of around Rs 210/kg	Branding, Packaging & Marketing	Rs 33600	Rs 2000	Rs 6400
Channel	Retailer, wholeseller	Retailing, wholeselling	MRP Rs 2000		Rs 6500

ACCESS Intervention in the Value Chain

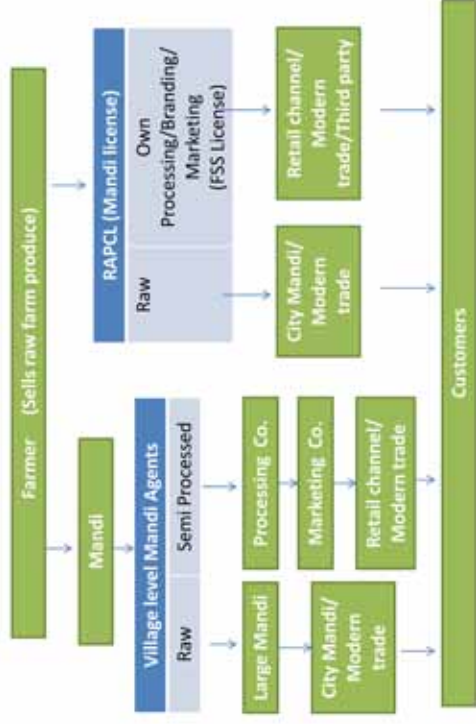


RAPCL - Backward Linkage



Note: RAPCL has all required license for this

RAPCL - Forward Linkage – Agri Produce



Existing practices for chilli drying

What traders do



- Drying in un-hygienic condition on open soil
- Sure shot contamination

The Spice HUB of RAPCL

How we are different



Solar drying for hygienic processing

Women SHGs get an opportunity for respectable livelihood also

The Spice HUB of RAPCL



A spices HUB (pilot unit) is being installed for facilitation of spices value addition

The Spice HUB of RAPCL – Grinding and Packaging unit

No contamination, comingling and mixing. Pure and fresh spices



The unit is managed by women members of the farmers' family

Marketing strategy – local branding & marketing through women SHGs



Strategy for local marketing:

Local packing, competitive pricing, marketing through women SHGs
Women members generate their livelihood through local selling of the spices

Marketing strategy – Organized retailing through Ode to Earth



Strategy for organized marketing:

Marketing through Ode to Earth through a CFA and retail network. To begin with, started from select retail outlets in Jaipur and expanding very shortly to NCR and other cities in Rajasthan

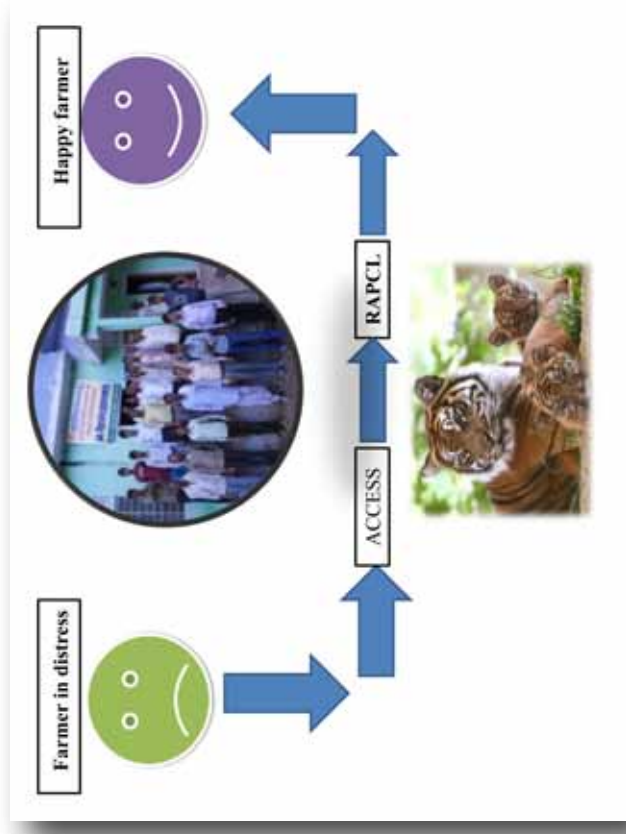
Upcoming product range

- Ginger powder / flakes
- Garlic powder
- Tomato powder
- Curry masala
- Onion powder
- Aonla candy
- Mixed spices

Samples have already been prepared and sent to various clients in USA, Germany, Philippines and Malaysia and expect export orders soon

Challenges

- Lack of infrastructure support (Storage – within 150kms)
- Incorporated in 2012 – Needs handholding support for Enterprise Management, Effective Governance, Financial Management and Business Operations
- Lack of Working Capital Support
- Direct Challenge from Leading Spice Brands
- Conferring to international quality control norms and the investments related to it



Presentation : 13

Production & Direct Marketing of Vegetables in Mumbai & Pune City by FPOs, by Shriram Gadhave

Production & Direct Marketing of Vegetables in

Mumbai & Pune City

By

Farmers Producers Organization's



Presented By



Vegetable Growers Association of India

FPO - FPC

SFAC – NVIUC programe

Promoted FPO -

JUNNAR FARMERS PRODUCER CO LTD

Corporate ID - U01122PN2013PTC147015

- 1600 Members
- Capital 5laks.
- Crossed 1crore Turn over within 10months.

impact NVIUC

Junnar Taluka Farmers Producer Company.

Production Technology

- Reduced the **cost** of Production.
- Improved **yield** by Twice or even more.
- Improved **Quality** of produce.

Direct Marketing

- Reduced **middleman's** involvement
- Fetches good **prices** to the Growers and Reasonable prizes to the consumers

**PRODUCTION TECHNOLOGY
Used Among FIG's/ FPO's**

Common Purchasing of Input

Seed, Fertilizer ,Drip, Pesticide etc.

- Through seed companies directly by eliminating agent & distributor's
- Get 25-30% net benefit.
- Common seed purchase Okra & Potato saved 4laks Rs.



DRIP- Low Cost Technology & Fertigation unit

- ✓ Cost : Rs.8-12000/ acre Only.
- ✓ Affordable to small farmers.
- ✓ Easy to installation
- ✓ Installed over 1500 acres.



Mulching Paper Technology

- Increased yield 3-4 times than traditional
- Reduce insect & pest attack by 60%
- Installed over 400 acrs.
- Expected area expansion under mulching more than 100 ha in 2014 season(March, April, May)



Okra On Mulching



use of Machine -Mulching paper Laying

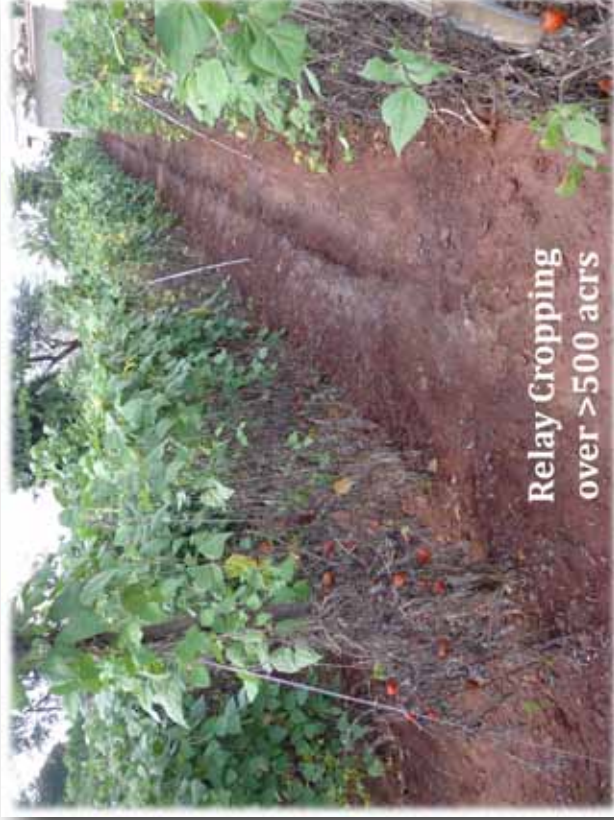
Owned by - Junnar Taluka Farmers Producer Company Ltd., Narayangaon, Pune
 Cost of equipment- Rs 60,000/-
 Area Covered under – 150 Acres.

Cost saving with Machine

Operations	Manually	By machine	Saving
Expenditure for laying of paper	500 Rs/acre		1000 Rs
Expenditure for application of Fertilizer & Drip	1000 Rs/acre	1200 Rs/acre	1000 Rs
Total Saving			2000 Rs/acre
Time Acquire	2 days	4 hrs	15 hrs



Use of Local Feromene Trap & Yellow sticky Trap to save spraying cost over 100s acrs , minimised chemical residues



Relay Cropping over >500 acrs

Potato Contract Farming with

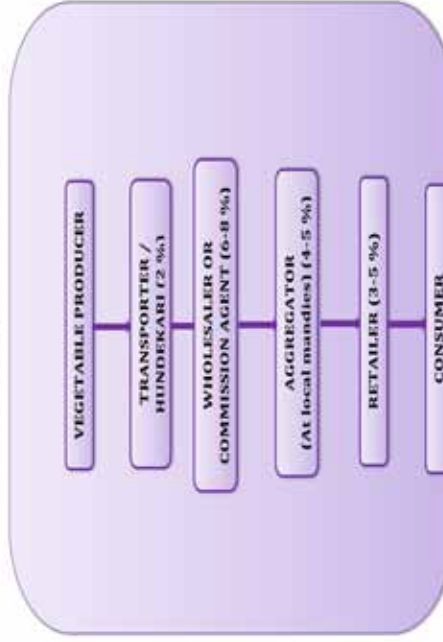
- ITC company
- Siddhivinayak company
- Thorat Traders



Direct Marketing of Vegetables

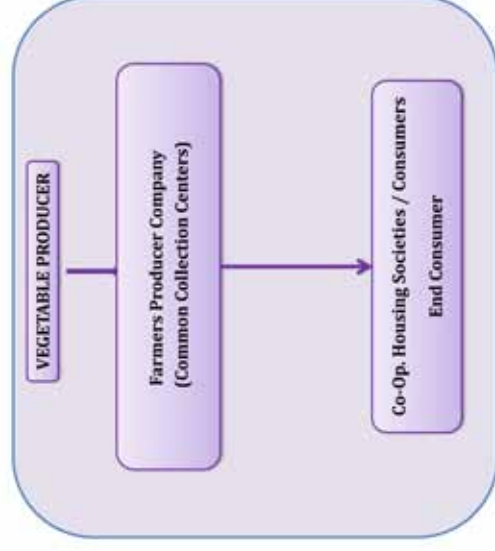
The new age – Market Intervention adopted by JTFPC.

Actual overheads finding At APMC
Total Commission— 30-35 %



Indirect hidden earning for whole salers—10 – 20 % extra.

SUPPLY CHAINS OF VEGETABLES UNDER NVIUC
In Mumbai & Pune by FPO



Smart Packing



Order in 3kg Packing



Common Collection Centre
for Collection, Packing, Grading



**Proposed -Use of Refer van for AC Transportation
Cool Supply Chain**



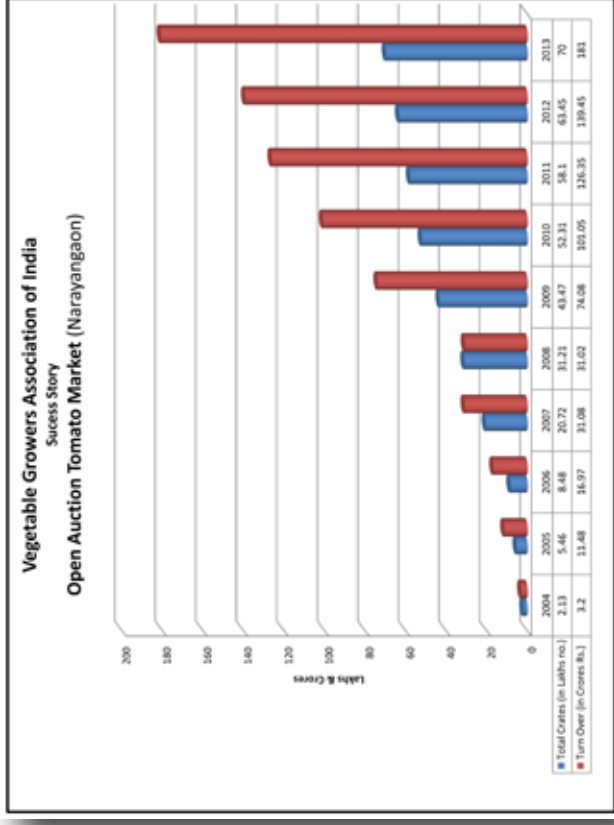
**Direct Marketing – Producer to Consumer
Daily 40-50 MT.**



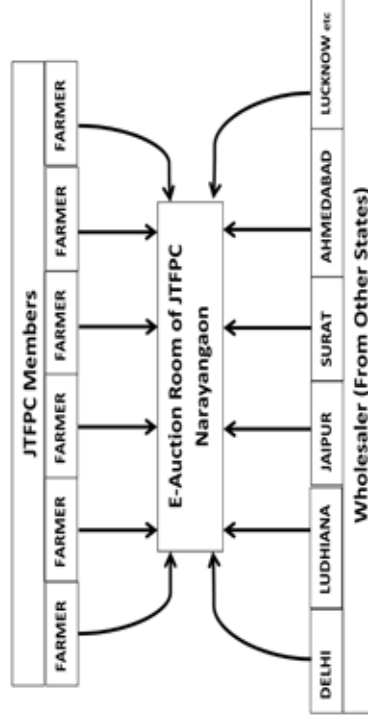
FIG AC Outlets in Mumbai



Open Auction Tomato Market Narayangaon crossed 100 crores Business Turn over



Junnar Taluka Farmers Producer Co. Ltd. (JTFFC)



- Tomato Supply with Gradation A, B, C.
- Deposit System for Wholesalers in E-Auction.
- Daily Payment/Transaction System by Cheque.

Use of Information & Technology for Online Daily Trading of Fruits & Vegetables at Producer company level.

- (For Tomato E-auction Platform)
- <http://neetij.com/nte/auction.php>
- (For daily order of vegetable in Mumbai, Pune)
- <http://www.mykisan.com/>

ताजा भाजीपाला २५ टक्के कमी दरात जुन्नरमधील शेतकरी थेट भाजीपाला विक्रीत; पुण्यात १६ केंद्रांवर भाज्या उपलब्ध



पुणे - १ एप्रिल रोजी पुणे शहरात ताजा भाजीपाला २५ टक्के कमी दरात उपलब्ध करून देण्यात आला. यासाठी पुणे शहरात १६ केंद्रांवर भाजीपाला विक्रीत आणण्यात आले आहे. यासाठी पुणे शहरात १६ केंद्रांवर भाजीपाला विक्रीत आणण्यात आले आहे. यासाठी पुणे शहरात १६ केंद्रांवर भाजीपाला विक्रीत आणण्यात आले आहे.

पुणे - १ एप्रिल रोजी पुणे शहरात ताजा भाजीपाला २५ टक्के कमी दरात उपलब्ध करून देण्यात आला. यासाठी पुणे शहरात १६ केंद्रांवर भाजीपाला विक्रीत आणण्यात आले आहे.

शेतकरी थेट ग्राहकांपर्यंत दोन दिवसांत तीन लाखची भाजीपालाविक्री



पुणे - १ एप्रिल रोजी पुणे शहरात ताजा भाजीपाला २५ टक्के कमी दरात उपलब्ध करून देण्यात आला. यासाठी पुणे शहरात १६ केंद्रांवर भाजीपाला विक्रीत आणण्यात आले आहे. यासाठी पुणे शहरात १६ केंद्रांवर भाजीपाला विक्रीत आणण्यात आले आहे.

पुणे - १ एप्रिल रोजी पुणे शहरात ताजा भाजीपाला २५ टक्के कमी दरात उपलब्ध करून देण्यात आला. यासाठी पुणे शहरात १६ केंद्रांवर भाजीपाला विक्रीत आणण्यात आले आहे.



Thank You

Contact

SHRIRAM GADHAVE
President - Vegetable Growers Asso.of India.
shriramg20@yahoo.co.in
Mob no. 07588031777
09860208029
Add. Narayangaon , Tal Junnar, Dist Pune.

Presentation : 14

Modernizing Apple Supply Chain – Agrifresh’s initiative in HP, by A. Srinivasa Ramanujam



Modernizing Apple Supply Chain – Agrifresh’s initiative in HP

SFAC-NCDEX Conference
25 Feb 14
New Delhi



Indian Apple Scenario

India's apple harvest seasons for major producing States

State	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Jammu & Kashmir												
Himachal Pradesh												

State	Area ('000 Ha)	Production ('000 MT)	Productivity (MT/ha)	Storage Quality	Marketing Infrastructure	Cold Storage	CA Storage ('000 MT)
J&K	174	1331	7.7	Average	Negligible	Negligible	26
HP	194	412	4.0	Acceptable	Developing	Negligible	26
Total All states	325	1897	5.8				>100

Production data is from 2012 crop



Import of fruit into India

Year	Qty (LMT)	% Growth
2012-13	2.53	17.70
2011-12	2.15	39.60
2010-11	1.54	33.90
2009-10	1.15	40.20
2008-09	0.82	20.60
2007-08	0.68	



Traditional handling of Apple








Key to modernizing the supply chain



- Extension services to farmers on pre & post harvest practices
- Scientific & transparent procurement practices
- Standard grading & packing
- Branding, promotion & customer education
- Country wide marketing network
- Adopting international best practices across the supply chain



Agrifresh's Apple Supply Chain



Agrifresh's CA facility



Apple handling at Orchards



**Apple being unloaded at
CA Unit**



**Apple is being tested for
its firmness**



**Apple is being tested for
its maturity**



**Apple being conveyed
into the sorting machine**



Apple sorting machine in action



Each Apple being measured for size & color electronically



Each apple being weighed electronically and sent to right bins



Apple filled in Bins (280 kgs. Approx.) & growers' reference in bin label





Apple grade & price report to farmer

PRODUCE DATE: 14.08.2024
 RECEIPT NO: 19239
 FIRM: ANANDHARAJU

BUYER NAME: PURUSHOTHAM THAGGAR
 BUYER ADDRESS: 19239, CHENNAI
 BUYER PHONE: 9943734460

WEIGHT: 3575.50
 NO. OF BAGS: 71.51

BUYER ADDRESS: 19239, CHENNAI
 BUYER PHONE: 9943734460

DATE OF DELIVERY: 14.08.2024
 DATE OF RECEIPT: 14.08.2024
 NAME OF BUYER: PURUSHOTHAM THAGGAR
 NAME OF FARMER: ANANDHARAJU

SR	VARIETY	ITEM DESCRIPTION	UNIT	NO. OF UNITS	NET WEIGHT	REMARKS
1	RED DELICIOUS	104 APPLA BUL - 80% S.	50 KG	10	500.00	
2	RED DELICIOUS	104 APPLA BUL - 85% S.	50 KG	10	500.00	
3	RED DELICIOUS	104 APPLA BUL - 90% S.	50 KG	10	500.00	
4	RED DELICIOUS	104 APPLA BUL - 95% S.	50 KG	10	500.00	
5	RED DELICIOUS	104 APPLA BUL - 100% S.	50 KG	10	500.00	
6	RED DELICIOUS	104 APPLA BUL - 80% S.	50 KG	10	500.00	
7	RED DELICIOUS	104 APPLA BUL - 85% S.	50 KG	10	500.00	
8	RED DELICIOUS	104 APPLA BUL - 90% S.	50 KG	10	500.00	
9	RED DELICIOUS	104 APPLA BUL - 95% S.	50 KG	10	500.00	
10	RED DELICIOUS	104 APPLA BUL - 100% S.	50 KG	10	500.00	
11	RED DELICIOUS	104 APPLA BUL - 80% S.	50 KG	10	500.00	
12	RED DELICIOUS	104 APPLA BUL - 85% S.	50 KG	10	500.00	
13	RED DELICIOUS	104 APPLA BUL - 90% S.	50 KG	10	500.00	
14	RED DELICIOUS	104 APPLA BUL - 95% S.	50 KG	10	500.00	
15	RED DELICIOUS	104 APPLA BUL - 100% S.	50 KG	10	500.00	
16	RED DELICIOUS	104 APPLA BUL - 80% S.	50 KG	10	500.00	
17	RED DELICIOUS	104 APPLA BUL - 85% S.	50 KG	10	500.00	
18	RED DELICIOUS	104 APPLA BUL - 90% S.	50 KG	10	500.00	
19	RED DELICIOUS	104 APPLA BUL - 95% S.	50 KG	10	500.00	
20	RED DELICIOUS	104 APPLA BUL - 100% S.	50 KG	10	500.00	
TOTAL						3575.50
GRAND TOTAL						3575.50

ISSUED BY:

ANANDHARAJU

Address details of produce and packing material have been mentioned in the card of AAPL in any produce and 1 per basket with details of items (if any) of the same quality received.

ANANDHARAJU (Sole Farmer & Seller)



Apple in CA chamber



Apple washing in Flume Channel



Packing Operations



Farm-Pik Apples being labeled & packed for the market



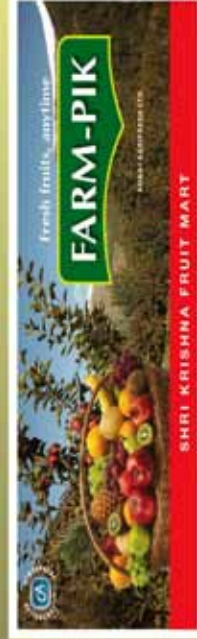
Farm-Pik Apple Packages



Dispatch in Refrigerated Vehicle



Farm-pik Promotional Material





Import of fruit

Fruit

1. Apple
2. Pear
3. Orange
4. Kiwi
5. Grapes

Exporting countries

1. USA
2. China
3. New Zealand
4. Chile
5. Italy
6. SA
7. Egypt
8. Australia
9. Turkey
10. Canada



Farmer Service Center



Farmer meeting at Orchards





Benefits to Apple economy



- 8000 Apple growers from over 800 villages partner with Adani Agrifresh of which more than 70% are small growers
- Benefits to growers:
 - Elimination of non – value added intermediaries
 - No expenditure on packers and graders
 - No expenditure on Packing Material (crates given by Adani Agrifresh)
 - No expenditure in traveling to faraway markets to sell apples
- Significant reduction in post-harvest losses at farm level
- Higher bargaining power of growers with commission agents due to transparent procurement practices by Agrifresh
- Quality apples at competitive price to consumers



Thank You

A Srinivasa Ramanujam
Business Head
Adani Agrifresh Ltd
3rd Floor, Fortune House
Navrangpura, Ahmedabad- 380009
Gujarat, India
+91 9727833111 (M), 91-(79)-25556673
Fax:91-(79)-25555621


adani@agrifresh.com , www.agrifresh.com



Presentation : 15

Vision of Agri. Marketing in XII Plan, by Narendra Bhooshan

Vision of Agri. Marketing in XII Plan



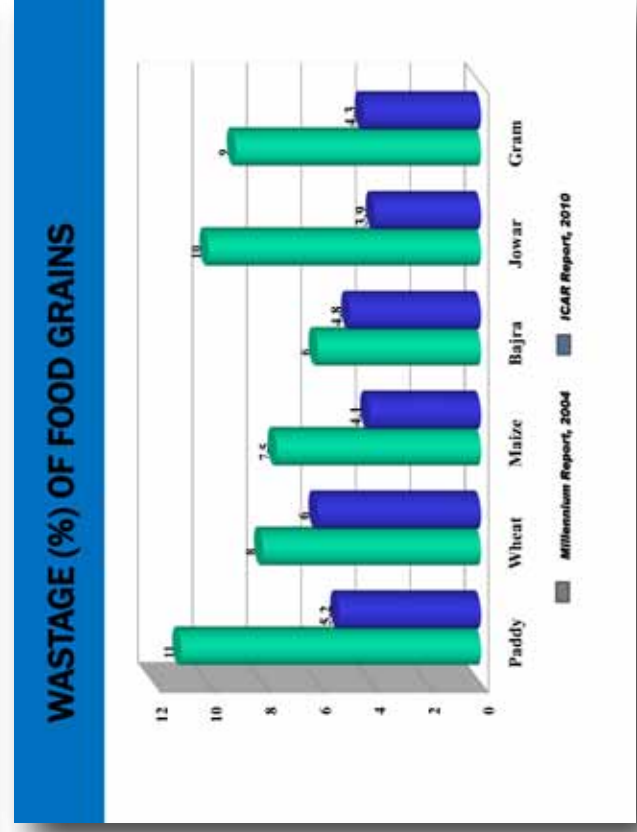
Narendra Bhooshan
Joint Secretary (Marketing)/AMA
Ministry of Agriculture
Government of India



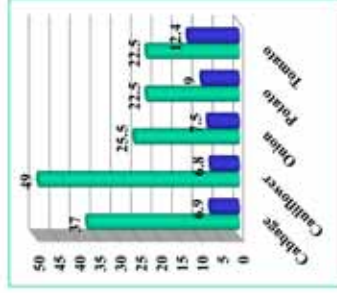
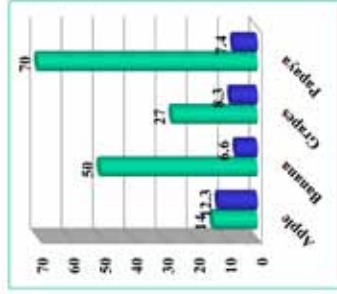
DIMENSIONS OF AGRICULTURAL MARKETING

- Agriculture - 52% of work force, 14% of GDP
- Small farm produce accounts
 - 41% of total food-grains
 - over half of the total f & v
- Farmer's share in Consumer Price Low
- Marketing costs & margins as % of Consumers Price

• Food-grains	-	30 to 35
• Fruit & Vegetables	-	45 to 55
• Oilseeds	-	12 to 36%



WASTAGE(%) OF FRUIT AND VEGETABLES



Millennium Report, 2004

ICAR Report, 2010

AGRICULTURAL MARKETING – CONSTRAINTS

- Predominantly marginal or small farmers
- Small quantities of marketable surplus & limited bargaining power
- Poor availability of markets & monopolistic tendencies of APMCs
- Inadequate infrastructure in wholesale markets/ rural primary markets
- Lack of fair price discovery mechanism
- Multiple and exploitative intermediaries – low returns
- Fragmented supply chain, poor cold chain & high post-harvest losses
- Lack of cleaning, grading, packaging & quality certification facilities
- Multiple agencies involved in quality confirmation and regulation of exports
- Limited access to market information and marketing opportunities available

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FOOD PROCESSING STILL AT A NASCENT STAGE

Level of Processing (Perishable products)	Unorganized	Organized Total
USA - 80 %	Fruits and Vegetables 1.3%	0.8%
France - 70 %		
Malaysia- 80 %	Milk & milk products 13%	22%
Thailand- 30 %		
India - 2 %	Buffalo Meat 21%	21%
	Poultry 6%	6%
	Marine Products 8%	15%

6

VISION OF AGRI-MARKETING

- Efficient, barrier free NATIONAL MARKET
 - Regulatory Reforms
 - Multiple Channels
 - National E – Markets/Spot Exchanges
- Well Regulated Future Markets
- Adequate & Quality Infrastructure
- Integrated Value Chains with Farmer level linkages/ Aggregation/FPO
- Market Information
- Efficient system for farmer training in Product standardization, grading and quality control systems
- Risk management and Credit facilities

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NATIONAL MARKET-REGULATORY REFORMS

- Creation of single state level Market
 - New Model Agriculture Marketing Act instead of APMC Act
 - Presently Model APMC Act
 - ✓ Provides for creation of alternative marketing channels
 - ✓ **BUT**
 - ✓ Divides state into Market Areas each regulated by APMC
 - ✓ Restrictions on Free movement

STATUS OF APMC ACT AMENDMENTS IN RESPECT OF PRIVATE MARKET, DIRECT MARKETING AND CONTRACT FARMING

States/ UTs having Amended Acts -

1. Andhra Pradesh (26.10.05)
2. Arunachal Pradesh (09.05.06)
3. Assam (19.01.07)
4. Goa (06.08.07)
5. Gujarat (01.05.07)
6. Himachal Pradesh (26.05.05)
7. Karnataka (16.08.07)
8. Maharashtra (11.07.06)
9. Nagaland (08.09.05)
10. Odisha (17.05.06)
11. Rajasthan (18.11.05)
12. Sikkim (20.04.05)
13. Tripura (11.05.07) &
14. Jharkhand (06.12.2008)
15. Mizoram (23.04.2008)
16. Uttarakhand (11.11.2011)

Reportedly no Amendment Needed -

1. Tamil Nadu

- States/ UTs with no APMC Act -

- (1) Bihar (repealed w.e.f. 01.09.2006),
- (2) Kerala, (3) Manipur and UTs of (4) Andaman & Nicobar Islands, (5) Dadra & Nagar Haveli, (6) Daman & Diu & (7) Lakshadweep

Partially Amended -

- (1) Punjab/Private market & Separate CF Act (2) UT of Chandigarh (Only private markets & waiving of Market fee on CF produce)(3) Haryana (Only Contract Farming) ,(4) NCT of Delhi (Only Direct Marketing), and M.P./Chhattisgarh (Direct marketing and Contract Farming)

States have still not initiated amendments -

- (1) U.P., (2) West Bengal, (3) Puducherry, (4) Haryana, (5) J&K, and (6) Meghalaya

Status of Implementation of Reforms Establishment of Private Markets in (16+ 6 States)

Sl. No.	Name of the state	Whether amended	Whether notified	Rules Operational	Whether Actually Operational	No of licenses issued for Private Market	
1.	A.P.	Yes (10.05.05)	Yes (10.05.2006)	Yes	Yes	3	
2.	Chhattisgarh	No	NA	NA	NA	Nil	
3.	Delhi	No	NA	NA	NA	Nil	
4.	Goa	Yes(26.08.2010)	Yes (09.09.2010)	No	No	Nil	
5.	Gujarat	Yes(1.05.2007)	No	Yes(Ad-hoc license)	Yes	6	
6.	Haryana	No	NA	NA	NA	Nil	
7.	HP	Yes(25.05.2005)	Yes (02.06.2006)	Yes	Yes	1	
8.	Jharkhand	Yes(06.12.2008)	No	No	No	Nil	
9.	Karnataka	Yes(16.08.07)	Yes (20.03.2008)	Yes	Yes	1+4 (with and carry)	
	M.P.	No	NA	NA	NA	Nil	
11.	Maharashtra	Yes(27.12.2005)	Yes (04.06.2007)	Yes	Yes	24 (including 3 TMC)	
12.	Odisha	Yes(06.06.2006)	Yes(05.07.2007)	No	No	Nil	
13.	Punjab	Yes (23.05.2005)	No	No	No	Nil	
14.	Rajasthan	Yes (18.11.2005)	Yes (23.02.2007)	Yes	Yes	Nil	
15.	Uttarakhand	Yes (18.04.2011)	No	No	No	Nil	
16.	NE States (A.P., Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura)	All the NE States except Meghalaya have reformed their State APMC Acts, but none has notified amended rules to implement the provisions.					Nil

Status of Implementation of Direct wholesale purchase from farmers out side market yard (16+ 6 States)

Sl. No.	Name of the state	Whether Act amended	Whether notified	Rules Operational	Whether Actually Operational	No of licenses issued for Direct Marketing	
1.	A.P.	Yes (16.08.2006)	Yes (Excluded before Model Act)	Yes	Yes	171	
2.	Chhattisgarh	Yes (10.02.2006)	Yes (10.02.2006)	No	No	Nil	
3.	Delhi	Yes	No	No	No	Nil	
4.	Goa	Yes(26.08.2010)	Yes (09.09.2010)	No	No	Nil	
5.	Gujarat	Yes(1.05.2007)	No	Yes (through Ad-hoc license)	Yes	1	
6.	Haryana	Yes (19.12.12 partial)	No	No	No	Nil	
7.	HP	Yes(25.5.05)	Yes (02.06.06)	No	No	11	
8.	Jharkhand	Yes(06.08.08)	Yes (05.07.13)	Yes	Yes	Nil	
9.	Karnataka	Yes(16.8.07)	Yes (20.03.08)	Yes	Yes	7	
	M.P.	Yes(28.4.03)	Yes (2003)	Yes	Yes	60	
11.	Maharashtra	Yes(27.12.05)	(04.06.07)	No	No	Nil	
12.	Odisha	No	NA	NA	NA	Not reported	
13.	Punjab	No	Yes (30.9.1999)	Yes	Yes	22	
14.	Rajasthan	Yes (18.11.2005)	Yes (11.11.2009-in By-laws)	Yes	Yes	76	
15.	Uttarakhand	Yes (18.04.2011)	No	No	No	Nil	
16.	NE States (A.P., Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura)	All the NE States except Meghalaya have reformed their State APMC Acts, but none has notified amended rules to implement the provisions.					Nil

Status of Implementation of E-Marketing (16+ 6 States)

Sl. No.	Name of the state	Whether APMC Act amended	Whether notified	Rates	Whether Operational	Actively Operational	No. of licenses issued for e-marketing
1.	A.P.	Yes (17.08.2011)	Yes (04.02.2013)-not yet notified		Yes		1 (the respective approval)
2.	Chhattisgarh	No	NA		No		Nil
3.	Delhi	No	NA		No		Nil
4.	Goa	Yes(26.08.2010)	Yes (09.09.2010)		Yes, but the company has been started.	Yes (After 3 months)	Nil
5.	Gujarat	Yes(1.05.2007)	No		No		3
6.	Haryana	Yes(19.12.12)	No		Yes, but the company has come up		Nil
7.	HP	Yes(25.05.2005)	Yes (02.06.2006)		Yes, but the company has come up		Nil
8.	Jharkhand	Yes (06.12.08)	Yes (15.7.13)		No		Nil
9.	Karnataka	Yes(16.08.07)	Yes(20.01.2008)		Yes		24 licenses issued by company 3 licenses (Under approval)
10.	M.P	Yes (28.04.2003)	Yes (02.03.2009)		Yes, but the company has come up		
11.	Maharashtra	No	Yes (04.06.2007)		Yes		2
12.	Odisha	No	NA		No		Nil
13.	Punjab	No	NA		No		Nil
14.	Rajasthan	Yes (18.11.2005)	Yes (17.08.2009)		Yes		3
15.	Uttarakhand	Yes (18.04.2011)	No		No		Nil
16.	NE States (A.P., Assam, Manipur, Mizoram, Nagaland, Sikkim, Tripura)	All the NE States except Meghalaya have reformd their State APMC Acts but none has notified amended rules to implement the provisions.					

AGMARK ACT VS APMC ACT

- **Whole state to be declared one Unified Market**
- **License - Private market , APMC Yard, Farmers Market, E- Market and Terminal Market **Third Party Marketing Channel.****
- **Registration - Direct purchase from farmers by processors, bulk retailers, exporters, farmers organizations, end users and contract farming sponsors , etc –One to one Marketing channel.**
- **Independent Agriculture Produce Marketing Regulator (APMR)- Director , Ag. Mktg. of State Govt. may function as regulator.**
- **Market Fees- Maximum to be prescribed by Regulator/Govt. (2%, 0.5%, 1%)**
- **AgMark Development Fund – 25% Market Fees, National Market-by Regional blocks /Joint**

ELECTRONIC SPOT MARKET

- Electronic spot Exchange as the stepping stone towards National Market
- National Spot Exchanges provides state-of-the-art trading, delivery and settlement facilities which can be accessed from across the country.
- Leverage the strength of already existing players NCDEX ,MCX and others to provide a Nation-wise Electronic Trading Platform
- Promotion(NEGP)

ADEQUATE QUALITY INFRASTRUCTURE

- Adequate Number of Markets
- Marketing and Storage Infrastructure
- Processing Infrastructure

Agricultural Markets in India

- **No of Regulated Markets** - 7320
- **No of Rural Primary Markets** -- 22,409 **Area Served**
- **Average Total Area Served by a Market** 111 sq. km
- **Average Area Served by a Regulated market** 449 .18sq. km
- **Area served per Regulated Market** varies from 118.18 sq km in Punjab to 11215 sq km in Meghalaya (approx. 80 sq km)
- **Recommendations by National Farmers Commission (2004):-** Availability of Markets within 5 km radius



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STORAGE INFRASTRUCTURE

Existing Storage Capacity	Lakh MT
CWC	103.06
SWC	263.80
FCI	101.14
GBY	272.26
NCDC excluding GBY	146.73
Total	1163.35

- Storage gap estimated by XII Plan Working Group – 35 Million MT

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INADEQUACY OF FACILITIES IN MARKETS

- Covered or open auction platforms - 2/3 of regulated markets.
- Drying yards - 1/4th of regulated markets
- Trader modules (shop, godown and platform)- 63% of markets
- Cold storage units exist only in 9% of markets
- Grading facilities in less than 1/3rd of markets
- Farmers resting facilities only in half the markets
- Basic facilities like internal roads, boundary walls, electric lights, loading and unloading facilities, weighing equipments etc., not available in nearly 20% markets.

FOOD PROCESSING STILL AT A NASCENT STAGE

Level of Processing (Perishable products)	Unorganized	Organized Total
USA - 80 %	Fruits and Vegetables 2.2%	1.3%
France - 70 %		
Malaysia- 80 %	Milk & milk products 35%	13%
Thailand- 30 %		
India - 2 %	Buffalo Meat 21%	21%
	Poultry 6%	6%
	Marine Products 8%	15%

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MARKETING INFRASTRUCTURE BASED SOLUTIONS THRU PLAN SCHEMES(XII PLAN)

Scheme	Outlay (Rs. Crs)	Expected Investment (Rs. Crs.)	Remarks
ISAM-AMI	4000	15000	Storage, Grading, Pr. Processing, Value Chains
ISAM-VCA	500	5000	Collection, Grading, Processing Infrastructure
MIDH-NHM	1000	3000	Terminal markets, post-harvest/ cold chain infrastructure, CA storage facilities, refrigerated transportation by road/ rail, perishable cargo centers at air& sea ports
MIDH-NHB	250	1000	-db-
MoFPI	5000	20000	Mega Food Park, Food processing
Total		56,000	As per estimate of P. Commission for XII

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INTEGRATED VALUE CHAIN BASED SOLUTION THROUGH PLAN SCHEME

- Various marketing functions – assembling , cleaning, grading, primary processing (without changing the product form), packaging, transportation(refrigerated van), storage , distribution, etc have been vertically linked for assistance – **Help to develop commodity specific / commodity group specific IVC**
- Under Sub-scheme , Eligible TFO for subsidy has been enhanced from Rs. 2.0 crores to **16.00 crores for XII Plan Period**
- **Subsidy Rs. 4 Crs, 5 Crs**

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MARKETING INFORMATION /INTELLIGENCE

- Empowers farmers to take appropriate production planning and marketing decision
- **MRIN-AGMARKNET PORTAL**
 - 3241/ 7320 wholesale regulated markets already connected
 - 3700 Markets proposed

Big Questions (?)- Information should be accurate, real time and easily accessible to the farmers. Market intelligence needs to be really functional to guide the farmers to take the decision .

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PROMOTION OF GRADING & STANDARDIZATION

- **AGMARK Standards**- Promotion of Standardization and Grading of agricultural and allied produce being done under Agriculture Produce (Grading and Marking) Act, 1937
- Standards for 213 commodities formulated so far.
- DMI designated as Inspection Agency for export of Fresh Fruit and Vegetables to EU.
- Grading for internal trade is voluntary.
- CAL, 11 RALs & about 1100 approved private/ commercial Laboratories provide analytical support for standardization and grading.
- Private and International Standard
- **COMMON STANDARDS**
 - AGMARK-BIS-FSSAI-CODEX
 - AGMARK focus on Primary Agriculture Produce
 - BIS on Processed food items

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CHALLENGES

• Marketing-State Subject,- Willingness of States on APMC reforms

- HRD, Trained manpower
- Credit facilities/Pledge Finance
- Aggregation at Village level
- Facilitating FDI
- NWR

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Thank you
??

narendra.bhooshan@gov.in

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ELECTRONIC SPOT MARKET

- To help in realizing the best possible price at the time of sale for agricultural produce
- To increase holding capacity due to availability of Warehouse Receipt Financing
- To increase bargaining power due to availability of an alternative market for sale of farm produce
- To facilitate trade and payment guarantee.

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Category-wise Projects Sanctioned – All India – by NABARD

Sl. No.	Category	Type of projects	No. of Projects	Subsidy released (Rs. in Crores)
1	Primary Processing and Value Addition Facility	Seed Processing & Testing unit	110	18.45
		Cotton Ginning unit	532	142.13
		Paddy parboiling unit	113	25.54
		Primary Processing Unit	160	32.97
		Integrated Agri Marketing Infrastructure	158	39.14
2	Cleaning, Grading, Storage and Packaging Unit	Drying Unit	127	8.67
		Rubber Processing Unit	24	2.05
		Other Units	22	1.65
3	Pre-cooling/Cold chain facility	Cleaning, grading and storage unit	1024	108.78
		Sortex & Sorting of grains / pulses	653	38.74
		Milk Chilling Plant	319	63.28
		Bulk Coolers	247	
		Cold Storage	117	24.36
		Fish Grading & Packing Centre	47	4.49
		Refer Van, Ripening Chambers etc.	24	6.47
		Weigh Bridge	98	3.48
		APMC Common Facility	89	58.80
		Combine Harvester & Other	2439	48.47722
4	Market User Facility	Establishment of private markets/ Purchase/ Collection Centres	28	10.49
		Other Infrastructures	13	1.73
Grand Total			6344	639.70

(Rs. in Crores)

SOLUTION THROUGH PROMOTION OF FPOS

- (i) Will help to collectivize farmers, especially small producers , to have access to quality input suppliers, technology and market
- (ii) DAC through schemes has proposed to financially support the registered FPOs Equity Grant Fund and Credit Guarantee Fund during XII Plan Period
- (iii) SFAC has been identified as nodal agency to promote FPOs.

Presentation : 16

National electronic market for agricultural produce,
by R. Ramaseshan

National electronic market for agricultural produce

R. Ramaseshan, Advisor, NCDEX and
Vice Chairman, ReMS



1

Markets in India – present scenario



2

Marketing value chain

- There is a long value chain in the marketing system - the farmer receives a fraction of the sale proceeds.



- Reducing this value chain – better realisation for the farmer with little impact on the consumer.



3

Mandies – ground status

- Area specific, limited to geographical location where producers & buyers gather to trade
- Auction process is opaque
- No central dissemination of prices
- No modern facilities at the mandi – weighing, testing, storing, etc.



4

Mandies – ground status

- Collateral management not possible – high holding cost for trader and no holding power to the farmer.
- Farmers have to sell produce – low realisation if sold under duress, price risk if held.
- Produce has to be made physically available in the market, therefore lower arrivals in spot markets
- Payment to farmers is not monitored

5



Modernisation efforts

- Automation of existing operations
- Auction design has not changed
- Practices of advanced markets not adopted
- Each market continues to be an island
- High cost due to replication of hardware, less reliability, etc.

6



Location independent access

- Adopting a centralised architecture as against a distributed architecture. Every market connected to central servers electronically.
- Any market accessible from anywhere in the country. Universal participation.
- Transparency in auctions – automated auction platform & wide dissemination of prices

8

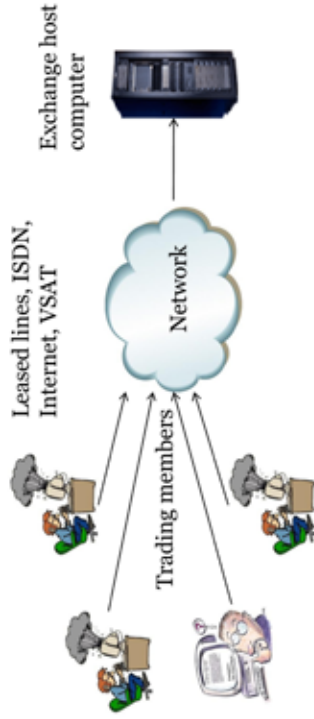


National market

7



Electronic Trading



- Lower cost of transaction
- Real time access across India
- Equal access to all members
- Anonymous participation – avoids cartelisation

9



Universal participation

- Grading and assaying of the produce and scientific storage.
- Obviate the need for goods to be physically available for auction/trading – create a virtual market.
- Sale/auction of goods based on quality & location.

10



Universal participation

- Increase competition and participation for sale in the APMCs. Regional/pan India participation for better price discovery.
- Post auction settlement of trades and delivery of commodities to be monitored. Increased confidence in the trades concluded.

11



Karnataka initiative

- 26 markets connected to central server in Mumbai.
- Joint venture company for managing operations - ReMS.
- Licence conditions amended – single licence across the state. Issued to anyone in the country.
- Bidding based on quality assaying – launched on 22.2.2014.
- Participation from Erode in Tamilnadu and Sangli in Maharashtra

12



Thank you



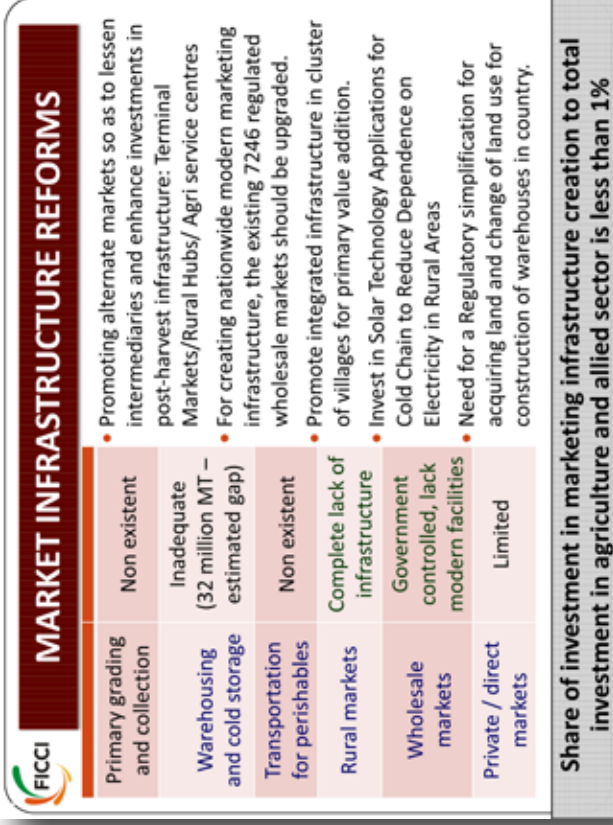
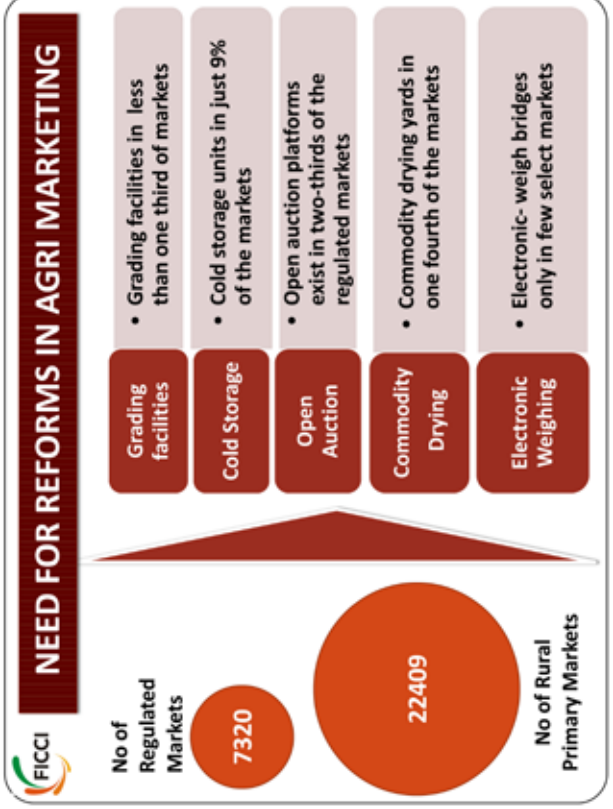
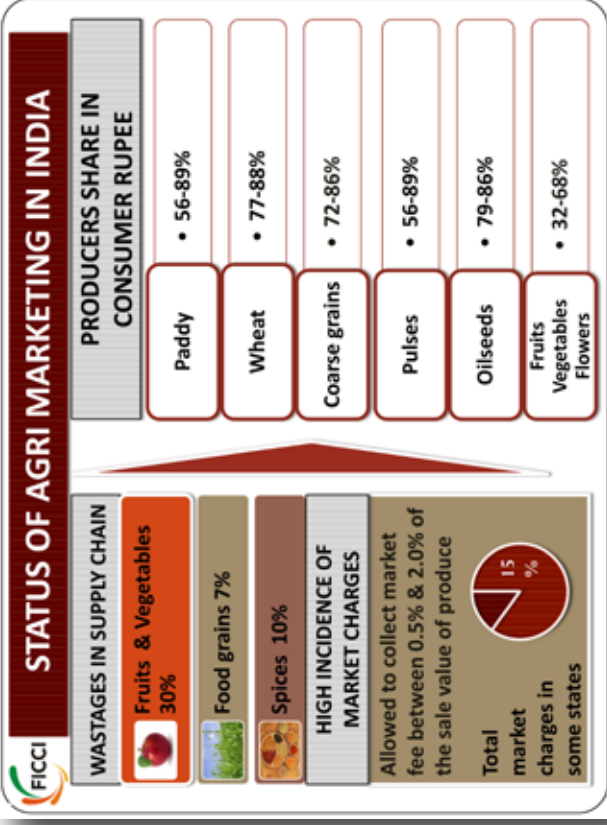
Presentation : 17

Agricultural Marketing Reforms, A FICCI Perspective,
by Arnab Kumar Hazra

Agricultural Marketing Reforms

A FICCI PERSPECTIVE

February 25, 2014





LEGAL REFORMS: Amendment to APMC Act

Stage of Reforms	Name of States/Union Territories
Where reforms to APMC Act has been done for Direct Marketing: Contract Farming and Markets in Private/ Cooperative Sectors	Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Mizoram, Nagaland, Orissa, Rajasthan, Sikkim, Uttarakhand, and Tripura
Where reforms to APMC Act has been done partially	Direct Marketing: NCT of Delhi Contract Farming: Haryana, Punjab, Chandigarh Private Markets: Punjab and Chandigarh
Where there is no APMC Act and hence not requiring reforms	Bihar, Kerala, Manipur, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Lakshadweep
Where APMC Act already provides for the reforms	Tamil Nadu
Where administrative action is initiated for the reforms	Meghalaya, Haryana, J&K, West Bengal, Pondicherry, NCT of Delhi and Uttar Pradesh



LEGAL REFORMS: Amendment to APMC Act

Marketing Options

- APMC must be a "Preferred Choice" and not "Forced Platform"
- Multiple Options to Farmers: Promote alternate markets

De-List Fruits & Vegetables (F&V) from APMC Act

- De-list F&V from APMC Act (MP & Maharashtra have delisted)
- Complete Freedom to Buy and Sell F&V would Increase Competition

Mandi Fee

- In most States collection of market fee is at multiple points which have a cascading impact on prices.

Presently, only 18 States and UTs have (partially) amended their APMC Acts in tune with Central Government's decade old Model APMC Act



LEGAL REFORMS: Amendment to APMC Act

Food Grains
Pulses
Oil Seeds

REGULATED BY THE SAME APMC ACT

Fruits &
Vegetables

- Non-Perishable in Nature
- MSP Mechanism for Food Grains
- Less Dependent on Robust Infrastructure
- 92 % of mandi fee collections come from food grains, pulses and oil seeds

- Perishable in Nature
- No MSP Mechanism
- Supporting Infrastructure Required
- High Volatility in Prices
- Only 8 % of mandi fee collections come from Fruits and Vegetables



REFORMS LINKING FARMERS TO MARKETS

There are 60 million small / marginal farming households who lack extension services and thus price discovery.

Enhance tradability of Negotiable Warehouse Receipts

A new framework for decentralized procurement is needed. Multiple agencies including the private sector could be licensed to procure food grains.

Economies of scale for small/marginal farmers through promotion & scaling up of Farmer Producer Organizations

- it helps farmers in aggregation of produce which can lead to better price realization;
- It helps industry as it improves ease of doing business;
- Extension services can improve quality for consumers.



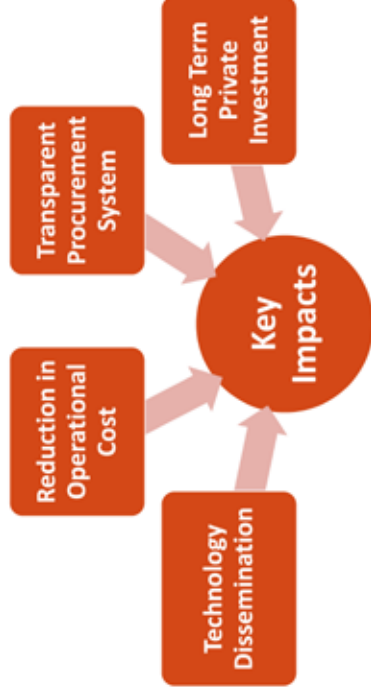
FEW PRIVATE SECTOR INITIATIVES

	ITC e-Choupal	Choupal Sagar	DSSL Hariyali Kisan Bazar	Tata Kisan Sansar
Value proposition	Information, services, procurement,	Farm and non-farm products, Procurement	Agri-inputs, technical guidance, crop finance, petrol retailing	Agri-inputs, agronomic services.
Geographic reach	MP, Rajasthan, Karnataka, AP, UP, Maharashtra.	MP	Punjab, Rajasthan, UP	UP, Punjab, Haryana.
Revenue streams	Procurement, sale of agri-inputs, farm machinery, edible oil/ semi durables, rentals.	Procurement, selling of consumer goods and farm inputs, services.	Farm inputs. On the anvil- personal products, staples.	Agri-inputs, rentals, services



PPPIAD INITIATIVE: KEY LEARNINGS

FICCI has been involved right from the inception stage of Public Private Partnership in Integrated Agriculture Development and is now involved in evaluation the projects undertaken



SEVEN POINT VISION

1. Model APMC Act should be uniformly adopted by all States for increasing market efficiency and competitiveness.
2. Fruits and vegetables should be delisted from schedule 1 of the APMC Act
3. Market infrastructure needs immediate up-gardation.
4. Investment in Solar Technology Applications for Cold Chain can reduce Dependence on Electricity, especially in the Rural Areas
5. Need for a Regulatory simplification for acquiring land and change of land use for construction of warehouses in country.
6. Scaling of FPO's to ensure farm competitiveness for domestic and international demand.
7. Public Private Partnership projects in agriculture should be taken up by the State Governments so that aggregation is possible.

Thank You



Contribution of Fruits and Vegetables in Total Market fees for various states

State/Market	M.F from F & V (Rs. in crores)	Total M.F (Rs. in crores)	% share of F & V in tot. M.F
Punjab	35	624	6%
Karnataka	4.69	243.51	2%
Haryana	23.5	371	6%
Vashi (Mumbai)	6	56	11%

Presentation : 18

Imperatives for inclusive economic growth, by Pravesh Sharma

Farmer Producer Organisations and the future of agriculture marketing

Imperatives for inclusive economic growth



Small Farmers' Agribusiness Consortium
(Dept. of Agriculture and Cooperation)
Govt. of India

लघु कृषक कृषि व्यापार संघ
भारत सरकार, कृषि मंत्रालय



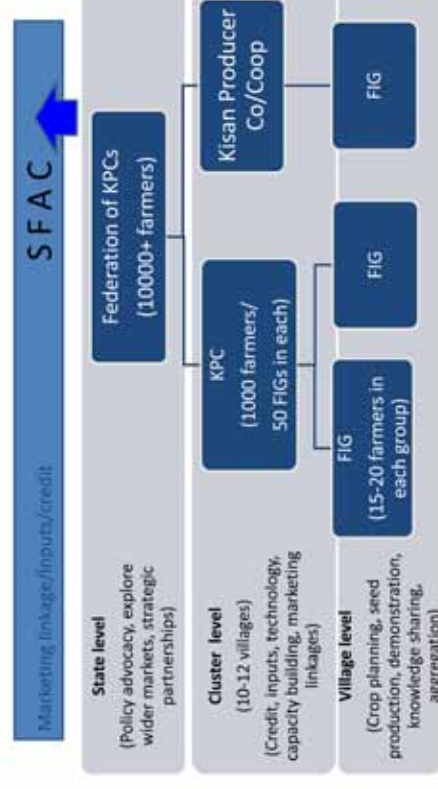
What ails smallholder agriculture

1. **Investment deficit:** less than 10% access institutional credit; poor capital formation; no avenues to leverage assets
2. **Technology deficit:** Irregular and unreliable technical advice (19% depend on private input dealers for advice; only 9% on govt. extension staff: NSSO study 2005)
3. **Input deficit:** uncertain input supplies; huge dependence on unregulated private markets for water, labour etc.
4. **Market deficit:** Monopoly and monopsony market conditions; opaque price discovery; poor marketing infrastructure; lack of bargaining power

How FPOs benefit small producers

1. Aggregating smallholders into FPOs proven pathway to increase investment, improve bargaining power, move up value chains and improve access to technology, markets.
2. Aggregation only way to enable SMF to exploit emerging opportunities domestic and global by integrating with SMEs; retail chains
3. Climate change coping mechanisms and risk mitigation requires aggregated platforms for efficient delivery
4. Aggregation will facilitate more effective targeting of subsidies to farmers

SFAC FPO network structure



Farmer Producer Organisations (FPOs) Typical range of services provided



S.No	Promotion of Farmer Producer Organisations by SFAC			Achievement	
	Name of State	Farmers mobilized/under mobilisation	No. of FIGs	FPO Registered	FPO registration under process
1	Andhra Pradesh	1750	94	2	0
2	Andhra Pradesh	34395	837	10	20
3	Bihar	29606	526	7	22
4	Chhattisgarh	26063	412	5	21
5	Delhi	3635	196	4	0
6	Goa	1810	116	0	2
7	Gujarat	30461	536	6	25
8	Haryana	7048	362	9	3
9	Himachal Pradesh	3950	226	9	4
10	Jammu	3000	170	1	0
11	Srinagar	3000	117	0	3
12	Jharkhand	10107	628	8	0
13	Karnataka	36828	864	12	23
14	Madhya Pradesh	118410	5585	34	89
15	Maharashtra	72917	2852	33	35
16	Manipur	4750	260	2	3
17	Meghalaya	3750	258	2	2
18	Mizoram	700	35	0	1
19	Nagaland	1750	139	1	1
20	Odisha	36523	1006	6	34
21	Punjab	6005	343	7	1
22	Rajasthan	56215	2081	22	27
23	Sikkim	1876	159	2	0
24	Tamil Nadu	21000	50	1	20
25	Tripura	1750	127	3	0
26	Uttarakhand	6004	359	6	0
27	Uttar Pradesh	39697	1034	10	34
28	West Bengal	56322	3562	7	50
TOTAL		622122	23034	200	420

Increasing Income Through Value Addition

Name of FPO: (Akola Soy and Cotton producer Company Ltd, West Vidarbha Maharashtra)



Collective procurement of fertilizer



Grading of Tur Dal (Double Roller Dal Mill)

Mulukanoor Women's Dairy

Name of FPO: (Mulukanoor Women's Mutually Aided Milk Producers Cooperative Union Ltd (MWCD), Andhra Pradesh)



Milk Procurement at Procurement Centre



Quality check and procurement of Milk

Production & Marketing of Foundation Seed

Name of FPO: Dharmaraju Palli Foundation Seed Farmers mutually Aided Cooperative Society, Andhra Pradesh



Input Supply for quality seed production to members



Foundation seed treatment

Mini Super Market for Rural Consumers

Warana Agriculture Commodities Consumer Super Market Cooperative, Maharashtra



Warana Bazar

(First Consumer Cooperative Store -20,111 members

Creating a Rural Distribution Network For Women Farmers

Women's Collective Reaps the Rewards of Cooperation



Distribution of quality products through sales women (Rudiben)

Name of FPO: Rudi Multi Trading Company Limited, Gujarat

Ready for selling vegetable in bulk

Name of FIG: Chameli Swayam Sahayata Samuha, Chhattisgarh

Leveraging The Power of Collective Marketing

Distribution of Mobile Vending Cart to FPO under VIUC



West Bengal

Maharashtra



Andhra Pradesh

Jharkhand

FPOs make business sense



Collective Purchase of Vegetable Seeds

FPO Name: Junnar Taluka Farmers Producer Co. Ltd., Maharashtra

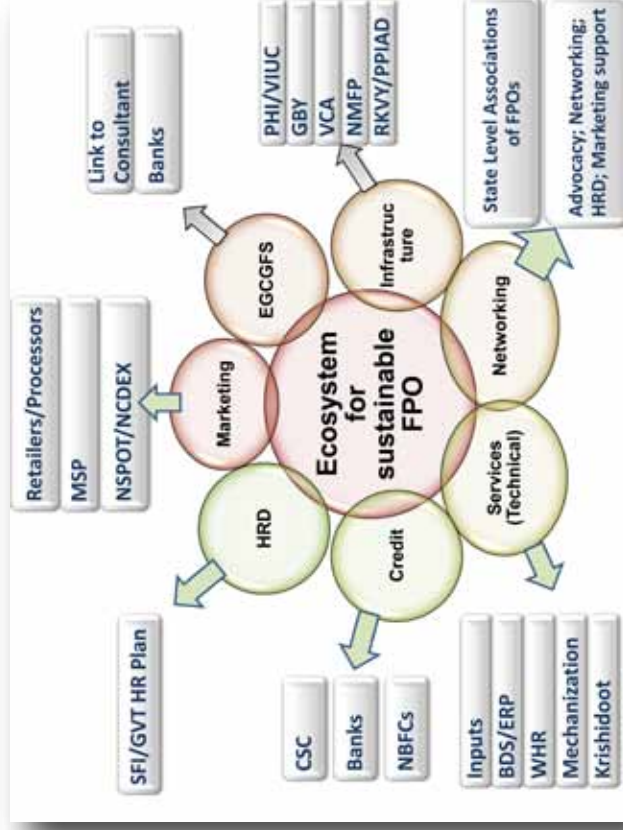
FPO Input Shop

FPO Name: Kedar Nath Kisan Agro Producer Co. Ltd, Rajasthan

FPOs in the XII Plan

- XII Plan document endorses FPO mobilization
- Policy framework to promote FPOs under RKVY
- 2014: Year of Farmer Producer Organisations
- 2014: UN Year of Family Farming
- Equity Grant and Credit Guarantee Fund Scheme for Farmer Producer Companies

14



Building an ecosystem for supporting FPOs

Challenges ahead

15

The Road Ahead

- FPOs as backbone of FSA environment
- FPOs for backend consolidation of farm produce for market players to address issues of traceability, volumes and price stability
- FPOs for innovative contract farming models
- FPOs for building grassroots agri marketing network for integrating village haats with global markets



SMALL FARMERS' AGRI-BUSINESS CONSORTIUM

(Society sponsored by Dept. of Agriculture & Cooperation, Govt. of India)

NCUI Auditorium Building, 5th Floor, August Kranti Marg

Hauz Khas, New Delhi - 110016

Tel: +91-11-26862365, 26966017, 26966037 | Fax: +91-11-26862367

Emai: sfac@nic.in | Web: www.sfacindia.com