

# Building human capital of small scale farmers: a Coalition approach

*Small and marginal farmers benefited from the coalition approach in accessing some of the resources such as technology, credit and markets. Improvement in their livelihood through enhanced production and higher margins in bulking, storing and selling their produce solely depended on the strength of collective action.*

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**S**orghum and pearl millet are the only crop options for the small and marginal scale farmers in most of the semi-arid tropical countries. Small and marginal farmers with livestock continue to depend on these crops so as to meet their food and fodder needs. The area under these crops has declined and have been pushed to more and more marginal areas. Also, farmers in these areas are often confronted with limited market mechanisms.

International Crops Research Institute for Semi-Arid Tropics (ICRISAT), Patancheru, India, in collaboration with partners, initiated a project focusing on improving the livelihoods of small scale farmers in Asia. The project aims at building human and social capital of small-scale farmers in Andhra Pradesh and Maharashtra clusters. This is achieved by strengthening their capacities, skills and knowledge on improved production technologies and strengthening farmers associations by building linkages with input suppliers, credit and market. The project executed in Coalition mode (Fig. 1) has the partnership with universities, private seed companies, feed manufacturers, input suppliers, NGOs and farmer groups for effective input delivery mechanisms. The project was funded by Common Fund for Commodities (CFC), Netherlands.

The small scale sorghum and pearl millet producers face several constraints in production, processing and marketing of their farm produce due to several reasons. Some of them include decrease in market demand; changes in consumer preferences; availability of subsidized wheat and rice to poorer sections through PDS; issues of physical access to markets; structure of the markets; and producers' lack of skills, information and organization. The project therefore focused on organizing farmers into groups/associations, enhancing their capacities for better production and increasing their bargaining power through infrastructure support and collective action.

To help the farmers' access efficient and more equitable market opportunities, several interventions were made. This included supporting the constitution of commodity oriented farmers associations, helping and training farmers to identify new/alternative markets, linking farmers with end users and processors, providing market information to the farmers etc.

## **Building farmers' associations**

As outlined above it was felt that formation of farmers associations at the village level was the first and foremost important step in

bringing them together to build social capital. The farmers growing sorghum and pearl millet were brought under the commodity groups at the village level. The elected group leader is a member of the farmers associations at the cluster level. Each cluster comprised of 7 to 10 villages. The number of members in each group varied.

Several joint meetings were organized with partners and farmers to identify needs. Farmers were supported based on the needs and guided through several field exposure visits and training programs to further enhance their knowledge and skills in various aspects. There was active participation of farmers groups, farmers association and SHGs in project planning, implementation, monitoring and evaluation.

## **Inclusion of women**

As women play an important role in agricultural operations in the target villages, women self help groups (SHGs) leaders were enrolled as members in the association. They were trained along with other members in seed based activity and bulking, storing and marketing of produce at village level.

Two models were developed and tested for meaningful involvement of women farmers in project activities.

One model was to involve SHGs in seed distribution; cultivar selection and procurement of seed was done jointly by partner institutions, PMU and ICRISAT. The seed procured was handed over to farmers association to redistribute to respective selected SHGs in Andhra Pradesh (AP) and Maharashtra (MS) clusters. SHGs were trained on importance of improved cultivars and its benefits like resistance to pest and diseases, tolerance to moisture stress, stover quality and better yield when compared to local cultivars. SHGs were given 5% incentive on total sale amount to keep their interest effective. Advantages of this model will enhance awareness and capacity of SHG to understand the importance of improved cultivars in crop production. The message of availability and access to improved cultivars will spread across all communities in the villages.

The second model was on bulking, storage and marketing. Similar to the above model, SHGs were trained in respective activity to make them understand the importance of each activity, both in terms of quantity and quality for better remuneration. To increase the financial capacities of SHGs for grain procurement from project, farmers were linked to credit institutions. SHGs approach the project farmers immediately after harvest and procure the grain by paying 50% amount of the prevailing market price and store the grain in the godown. The balance amount will be paid after selling the produce to poultry feed industry in a month or two. SHGs share 5% on the total amount spent for procurement and pay for godown storage charges to farmers association @ Rs. 2 per quintal grain. This process ensures better price and prevents distress sale of grain to middle men or agents. Also, as the farmer receives 50% price of grain immediately after harvest he/she will be able to meet his/her immediate needs. Moreover, bulk marketing is a win-win situation for both producer (farmer) and the buyer.

## Capacity Building of farmers association

Several training and capacity building activities were planned to develop the skills of farmer groups in areas such as crop production, improved seed/fertilizer/chemical and credit accessibility, grain bulking, storing, grading and marketing within the target regions and management of godowns. It involved training of farmer groups, representatives of input supply companies, feed and poultry companies. The development of training and other dissemination material was done by coalition partner members on various approaches and processes used in initiating and gearing up the input and product market chains. On-farm advice and field support (crop production aspects) has been extended to the farmers associations by coalition partners during the entire cropping season in all clusters in both regions. Periodic field visits by the experts, organizing training programs, field days and exposure visits were useful in building confidence on improved crop production technologies among the farmers. The impact of these activities resulted in higher grain production per unit area in the cluster villages.

Farmers association and SHGs were trained in construction, management and operation of storage structures and the ear head drier. The operation and management guidelines for the storage structures and the driers were developed jointly with partners and the farmers. The driers were installed in all clusters and are being used to dry sorghum and pearl millet ear heads harvested during rainy season. The use of drier has helped reduce the moisture content of the grain to 10-12% and prevent mold attack during storage.

The systems of bulking and grading were introduced to the farmers. The importance, advantages and the requirements of grading bulking and storing were explained through trainings and exposure visits to government warehouse. These trainings were helpful in changing the mindset of the farmers positively towards bulking practices.

### Collective action

The farmers were resorting to distress sale of grain soon after the harvest owing to debt and lack of adequate storage facilities. They planned to construct storage structures for which land was required. Firstly, they identified gram panchayat land in the village and convinced the gram panchayath (village organization) members to allocate the land. The land allocation in all the clusters was passed through a resolution by gram panchayath in spite of hurdles from various groups and local political interference. In one cluster, due to non availability of suitable gram panchayat land, a group member donated the land for the project. The next step was to construct the godowns. Farmer associations constructed storage structures with the technical and financial support from the project fund.

The godown construction and management committees were formed from the farmers' associations. The farmer groups in the cluster villages anonymously elected members for construction and monitoring of storage structures. These committees shouldered the responsibilities of the construction of storage structures and have successfully managed the completion of the construction with lot of cooperation, skills, network and values among themselves and support from the group members.

### Building linkages

The project facilitated interaction between bankers and the partners for easy flow of institutional credit to farmers. Two joint meetings were organized at ICRISAT with State Bank of India and State Bank of Hyderabad where in all partners including farmers participated. Farmers explained the bankers the hurdles in getting crop loans. The bankers agreed to cut short the documentation

Figure 1. Coalition flow diagram



procedures, which paved the way for extending Kissan Credit Cards (KCC) to farmers groups in cluster villages. Around 900 farmers in Andhra Pradesh cluster and more than 450 farmers from Maharashtra cluster availed bank credit.

Market linkages between farmer associations and feed manufacturers were strengthened. The meetings between farmers association and different feed manufacturers were helpful in initiating the process of entering into formal and informal agreements. Besides feed manufacturing companies, alcohol and food processing industries were the other potential buyers identified. In the second year, the farmers association was able to bulk and market the produce to poultry feed industry.

Proper grading, bulking and storing of the grain in the village godown was helpful in enhancing collective bargaining power of farmer groups. There was significant increase in the income due to bulk marketing.

### Conclusion

Small-scale farmers in Andhra Pradesh and Maharashtra clusters achieved positive economic outcomes because they are adaptable and are willing to change. The farmers association members and women farmer groups found that by combining their knowledge and skills, they were able to achieve better outcomes from their farm and bulk marketing.

Efforts to increase agricultural productivity can be effective only if they are linked to an appreciation of market potential; and it calls for integrated approaches along the full continuum of production, storage, processing and marketing. Building social capital, creating learning situations based on extensive interactions, forging durable linkages among stakeholders lead to tangible outcomes beneficial to farming communities.

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