

by **Bhuwan Bhaskar**

Changing Lives of Farmers on Forward Front



The Malwa region in MP is considered to be an affluent and developed one. But as you cross Vindhya-achal to enter into Nimar, things appear to be changing. Some three-fourth of the population in this area is tribal and when compared with Malwa, the poor infrastructure and village based economy make it clear that Vidhyas have somehow restricted the wind blows of development coming from Malwa. Till recently, this area was counted as drought prone. In spite of the fact that Narmada flows just 60 kms from here, the ground water level in this area was 400-600 ft. But things have started changing gradually after some NGOs initiated a number of water conservation projects in the area. The ground water level has moved up to 90-300 ft. and the impact is very much visible on the agriculture pattern in the region. The farmers here are growing a number of fruits and vegetables like chili, papaya, banana and brinjal besides cash crops like cotton, maize, soya bean and tur. And not only this, the region is witnessing one more experiment, which could show way to other regions in future as well.

The experiment is being carried out in the form of organizing tribal farmers to form a company and using forward trading to maximize their profits. Kamal bhai is one of the founder members of a farmer producer company (FPC) being run in the region by a non-government organization Samaj Pragati Sansthan (SPS). Coming from the village Chandupura in Neemkhera, Kamal bhai got this FPC Ram Rahim Pragati Producer Company Limited (PPCL) registered in July 2012 with the help of SPS and now has a membership of 162 SGHs. These



all-women SGHs have each 15-20 individual members having on average 1-2 acre of farm land. The modus operandi of the FPC is to procure the crop produced by its stakeholders (that is, the farmers), keep it in warehouses and sell it after sometime when the prices are up. The net profit is distributed as bonus between the farmers on the basis of their crop quantum. "We have around 2100 marginal farmers in our fold. Last year we sold 3,500 quintal wheat, 4,000 quintal soya bean and 4,500 quintal of maize. This year we are hoping for a better crop", says Kamal bhai. But when it comes to distributing bonus, this story is not equally bright. Two years back the FPC had reaped profit of Rs. 14 lakh out of which it distributed Rs. 7 lakh keeping some funds for future infrastructure expenditure. But last year, the FPC was left with no surplus funds to distribute among its farmer members as all the profits generated in the process was exhausted just in infrastructure costing. So, now the FPC is looking to cut down the extra cost incurred in the process.

"One potent instrument to do it is to use the forward trading platform of NCDEX and we are working on it. We have applied for the membership in this category and in the last stage of getting it. By using NCDEX forward platform, we can cut down the transportation and warehousing cost to nil", said Raghav, a NIT Surat management graduate, who is working with the parent NGO of Ram Rahim PPCL that is SPS. Kamal bhai is also enthusiastic about the plans to get a new market place and a whole new lot of buyers. "Our farmers grow cotton, soya bean, wheat, maize, moong, gram, red gram, tur and neem seeds and we could sell most of them on NCDEX forward platform as they are in process of adding them in their forward portfolio. We are very happy for this new opportunity", said Kamal bhai.

In fact, Ram Raheem PPCL is planning to sell its produce through NCDEX by reaching to the end industrial users to increase its profit margins and if successful, it could be a role model for many other FPCs in the region. ■