

Food, Resources and Livelihoods

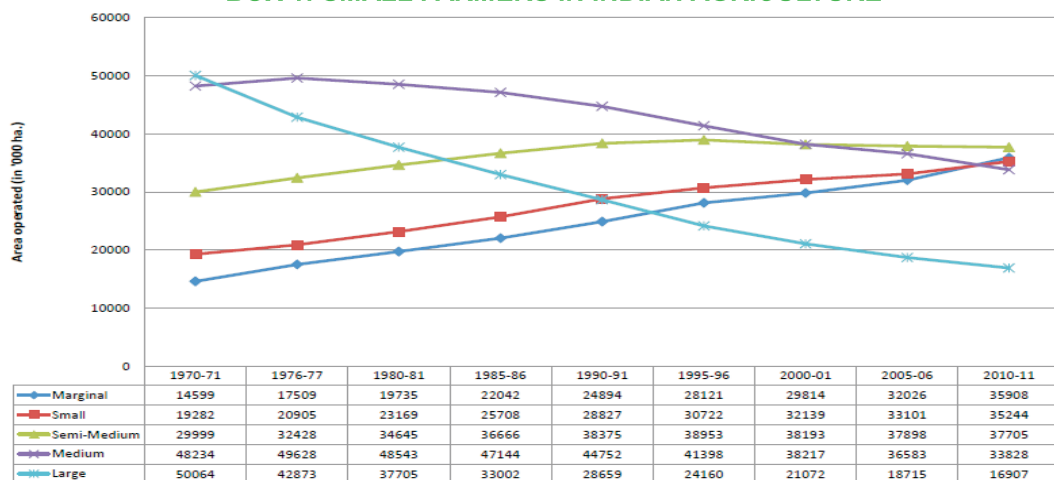
Exploring opportunities in community based models

Indian Agriculture Sector

The Indian agriculture sector, which bears the responsibility to meet the food and nutrition needs of the country's large population. It also interacts with the natural resource base, while being the source of livelihood for more than half the country's population. This is complemented by the following facts:

- Indian agriculture sector has to feed 190.7 million under-nourished people, a quarter of all under-nourished population in the world. (FAO, 2014) Moreover, projections of India's population reaching 1.6 billion by 2050 (UNDESA, 2013) shall entail rapid increase in food requirements.
- Agriculture accounts for 70 percent of total global freshwater withdrawals, making it the largest user of water. At the same time, the food production and supply chain consumes about 30 percent of total energy consumed globally (FAO 2011, Energy-Smart Food for People)
- 58% of India's population is dependent on agriculture and 85% of all farmers are small farmers. Agriculture in India is predominantly characterized by the **small holding farmer**, and if the trend in Box 1 continues, there small holding character of Indian agriculture will increase and so will the need to collectivise for effective access and pooling of resources for economies of scale.

BOX 1: SMALL FARMERS IN INDIAN AGRICULTURE



Graph 1: Area operated by operational holdings (Agriculture Census, 2011)

85 percent of the total 138 million farmers in India are small farmers having 45 percent of the total land under agriculture (Ministry of Agriculture, 2013). A study in 2012 estimates 51.2 percent of the total food production as being produced by small farmers (Dev, 2012). Small farmers in India face **double risk**:

- They face **production risks** due to constraints on natural resource availability – suitable water, land and soil conditions. The production risk is further aggravated with the changing climate resulting in crop failures or reduced crop production. Eleven States declared drought between August 2015 and April 2016 (Sen & Bera, 2016). It is further expected that regional water availability for food production shall reduce due to rising temperatures, changing precipitation patterns and increasing frequency of extreme weather events (Ranuzzi, 2012).
- The **market risks** resulting from constraints of limited quantities of raw produce, lack of storage systems, grading or value addition and absence of assured buyers reduces the farm returns for farmers. The challenge is succinctly captured in the quote "*Farmer is the only businessman who buys in retail and sells in wholesale.*" (Damodaran, 2016)

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Community Based Models in Agriculture

Conditions of small farmers worsened over time with limited resource availability, higher vulnerabilities to climate and market risks. The challenge is to identify solutions that are efficient, competitive, environmentally sustainable and also 'inclusive' in terms of addressing the need of small holders. Farmer community based models provide one such opportunity. Community Based Models, in its simplest of definition is **“an arrangement of resource (land, water, human, finance, etc) pooling by farmers at different parts of the value chain for increasing agriculture productivity, farmer incomes and ensuring sustainable resource use”**. There are many such formal and informal models that can be found performing different roles across the value chain of the agriculture system. Self Help Groups, Farmer Cooperatives, Farmer Producer Companies are some of the formal groups promoted by the Government.

Focus of the Theme

Capturing the current need of small farmers and building their potential for sustainable natural resource management and food production while ensuring stable and profitable incomes is the overall objective that guides the choice of focusing on community based models in agriculture in TGY 2016.

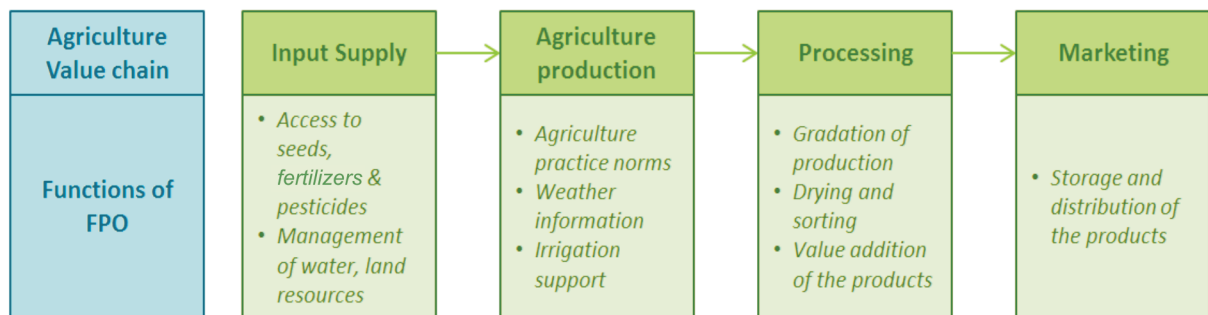


Figure 1: Functions of FPOs across the agriculture value chain

Various initiatives of the Indian Government have focused on Farmer Producer Companies as a means of addressing concerns of small farmers. Some of the landmark initiatives include the pilot programme by Ministry of Agriculture to promote member based Farmer Producer Organisations during 2011-12, implemented through the Small Farmers' Agribusiness Consortium. The pilot involved the mobilisation of approximately 2.50 lakh farmers for establishment of 250 FPOs across the country, under Rashtriya Krishi Vikas Yojana. NABARD has also taken an initiative for supporting producer organizations, for which "Producers Organization Development and Upliftment Corpus (PRODUCE) Fund" has been set up since April 2011. Till 2014, NABARD had supported 91 POs of different forms by extending credit facility of INR 205 crore and INR 6.30 crore towards complementary measures for capacity building / market interventions. Given the scope and potential of Farmer Producer Companies in India, TARAGram Yatra 2016 will aim to seek answers and insights on:

- What are the varied roles of community based models in maintaining environmental quality, farmers' well-being and food production in agriculture?
- What are the factors that strengthen business and institutional sustainability of FPOs and create enabling ecosystem/conditions for the same?

This discussion will aim to inform the current policies for small farmers and specifically the Policy on Farmer Producer Companies on the principles that support development and operations of an FPO that helps maintain **environmental quality, farmers' well-being and food production in agriculture**.

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