

## Field Visit Report (Induction Training Program from 06.05.2013- 11.05.2013)

Visit Company	: Samarth Farmer Seed Producer's Company Pvt. Ltd.
Place	: Aagar Malva
Date	: 10.05.2013
Facilitator	: Dr. Varan Singh, Faculty-ABM
Registration under	: <b>Producer's Company Amendment Act-2002</b>

### Pre-Planning of Field Visit

Objective / Purpose of the visit	Points for discussion
<ul style="list-style-type: none"> <li>✓ Gain practical exposure about the producer's company.</li> <li>✓ Know about the benefits of the Producer's company as per the community point of concern.</li> <li>✓ How to de-Skilling or de-mystification, of technical concepts for community.</li> </ul>	<ul style="list-style-type: none"> <li>✓ History and background of producer company</li> <li>✓ Current position of Producer's company</li> <li>✓ Seed variety</li> <li>✓ Company structure and procedure</li> <li>✓ Input &amp; out-put supplies</li> <li>✓ Benefits for stakeholders</li> <li>✓ What challenges they are facing?</li> <li>✓ Future strategies of a producer's company</li> </ul>

### ✚ Background of Producer's Company:

In the year 2000, some Common Interest Group (CIG) was formed under DPIP project. Under the Project's initiation, there were some good efforts made which helped to increase the productivity of crop. When the project was in its final stage, the Government took initiative, with a motive to provide effective marketing linkage to the farmers and make them self-sufficient. Some other CIGs also came under one parade through Federation, and took a shape of **Samarth Farmers Seed Producer's Company**.

#### 1. Objectives of the company:

- ✓ Crop Productivity enhancement.
- ✓ Provide better market linkage to the farmers
- ✓ Ensure quality of the product.
- ✓ Self-recognition through an effective business model

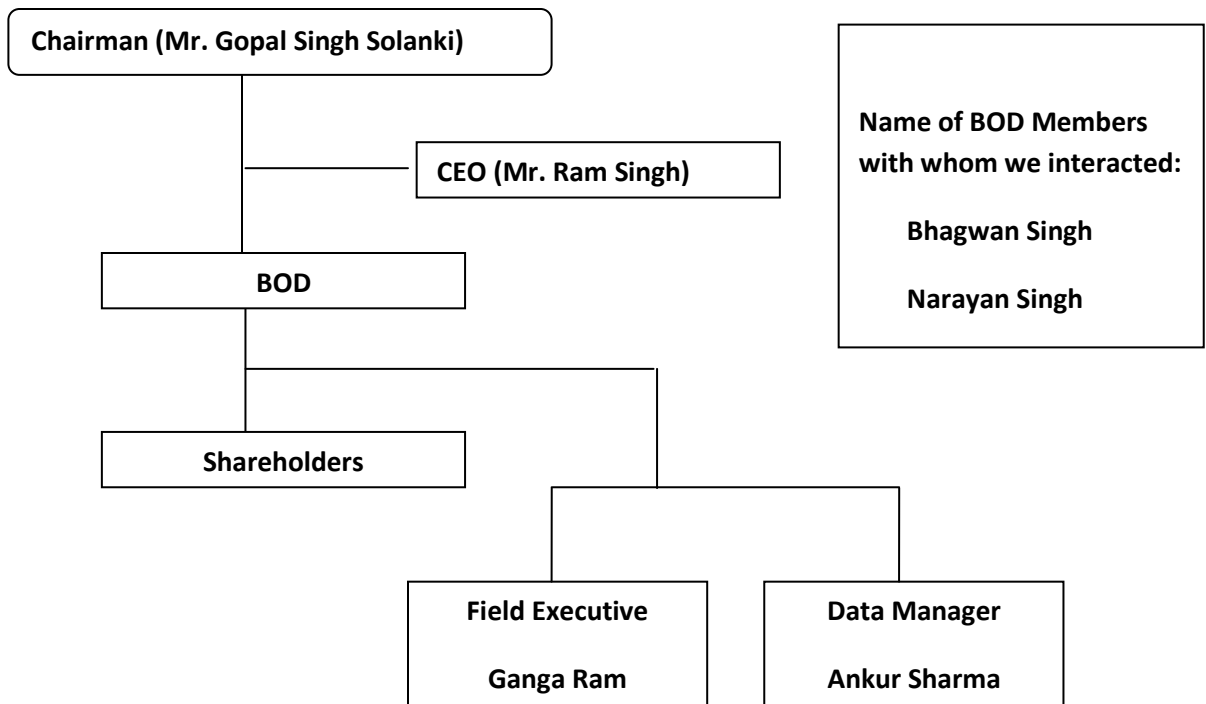
#### 2. Current Position of the company:

Total Coverage	137 farmers
Total Share Capital	9 lacks 17 Thousand
Total Business	2 Cr. 35 lacks
Monetary benefit provided to the community	2 lacks
Total Board of Director	14 included CEO

### 3. Seed variety use in seed production:

S.No	Season	Crop	Seed Variety	Type of Seed	Remark
1	Kharif	Soybean	JS 335, JS 9560, JS 9305	Breeder, Foundation & certified	Breeder and foundation for Members and certified for non-members
2	Ravi	Wheat	BW 322, JW 273, Lokman	-do-	-do-

### ✚ Organizational Structure and Procedure:



**Figure 1: Organizational Structure of SFPC Pvt. Ltd.**

#### 1. Transition Management Policy:

The eligibility of a shareholder as Board of Director is for 3 years. The company is following 30% rotation policy, the company replaces 30% BOD, every year so that at the end of 3 years there will be a blend of fresh as well as experienced person in Board hence the working will not be suffered.

## 2. Meetings called by the BOD:

Two types of meeting have been organized by the BOD, and chaired by the chairman. One is a Monthly Meeting and other is Annual Meeting. The CEO is also part of the meetings, but doesn't possess the voting rights.

### Issues covered under Monthly meeting:

- ✓ Seed procurement process is decided in Monthly meeting.
- ✓ Input and out-put supply decision has been taken at monthly meetings.
- ✓ The decision about Profit-sharing has been discussed in BOD Inclusion and exclusion of shareholders from BOD panel.

### Issues covered under Annual meeting:

- ✓ Review of Previous years.
- ✓ Strategic future planning is being decided during Annual Meeting.
- ✓ Government support and linkages.

## + Input & out-put supply:

### 1. Agriculture Material input:

Agriculture input such as pesticides, urea, and manure is being supplied by Agriculture service provider. Material demand lay by SHG and service provider supply material at wholesale price and their input cost gets reduced.

### 2. Financial Input:

At primary level, the company gets loan from village development committee (VDC), alongside SHGs, VDC also provide loan to the village level institute @ 2% interest rate, out of which 1% straightly goes into the account of VDC and another 1% goes to respective SHG accounts.

For expansion activities, company gets loan from banks, assistant from Government schemes, handholding supports from some NGOs. List of support agencies is as mentioned.

Government Institute	NGOs	Banks
DPIP	ASA	UCO Bank
Syopsi (International Funding)	BASIX	SBI
Farmers Support Program	SRIJAN	Star-Agri
		NCMSL (For Agri-Trading)

### 3. Technical/Knowledge Inputs:

Farmers get knowledge of agricultural technologies from DPIP family and village Agriculture Extension Provider. Members attended some extension training program, for their knowledge enhancement. Every year, farmers get a list of blacklisted pesticides released by GoMP, apart from its alternative option has been also suggested. For example Adrosalfan-35 AC, has been banned by the government, so the farmers are not using it and have already replaced it with organic manure.

### 4. Procurement & Distribution Procedure:

The company procures certified seed from non-members and breeder and certified seed as per the yield estimated with by the seed certification officers. The price is fixed with a Rs.200/-premium price per quintal. Apart from it Government has also provided subsidy of Rs. 400/per quintal on seed production and their lifting and transportation charge is free of cost (provision made by the company).

**\*Average price = Model Price+High Price/2**

**(Price as per the Agar Mandi)**

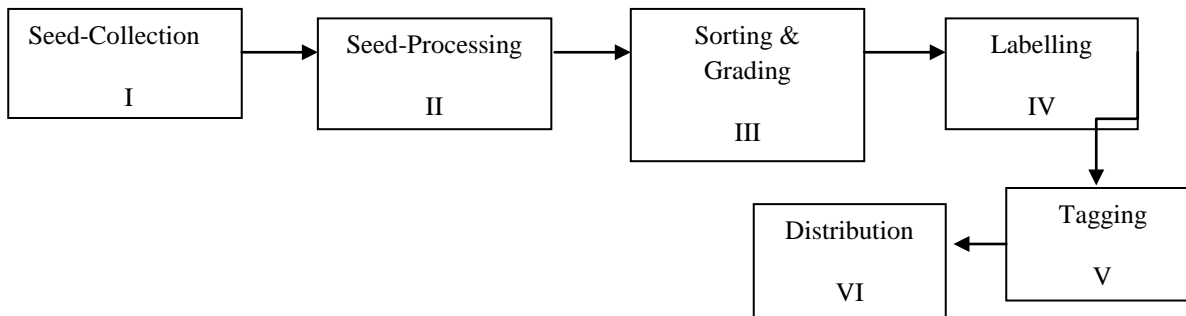
**Per quintal rate = Average Price +200 Rspremium by 20-70 Rs ± variation**

### 5. Quality Assurance Storage Facility:

SFSPC is a GAP certified company which fulfills the global quality standards. The company accepts only certified product with ± 10 % yield variation. With 10:2: 2 ratio of Moister, Soil particle and Torn seeds are acceptable.

### 6. Storage Process:

The company constructed a warehouse for seed storage, and the cost incurred was 35 lacks in construction while government provides Rs 70 lakhs for warehouse construction. The company spent rest amount on Nursery Development and established grading system



### 7. Technical up-gradation:

Currently company purchased following equipments, some costly equipment is second hand purchased. List of machinery is as follows:

- Moisture Meter
- Grader
- MM rings
- Computers with internet.

### 8. Profit Sharing and Loan Repayment system:

All procure seeds kept under the possession of NCMSL, and the said organizations sell their produce and transfer the fund to UCO bank (bank has provided loan) after selling their product and 70% profit margin kept by the bank as their installment and rest amount gets transferred in company accounts. Out of 30%, 10% profit goes into the company's working capital and 20% profit share among the shareholders.

### 9. Record Keeping & Accounting:

The company maintains their accounting in Tally software. The company maintains following records.

- ✓ MPSSC-Seed certification register
- ✓ Mandi register
- ✓ Cost booking Register
- ✓ BOD meetings register.

### Benefit for farmers:



Monetary Benefit	Non-Monetary Benefit
<ul style="list-style-type: none"><li>✓ Farmers can average 12000 Rs extra for one season crop in seed production.</li><li>✓ Increase in income through productivity enhancement</li></ul>	<ul style="list-style-type: none"><li>✓ Get experience and Knowledge.</li><li>✓ Development of managerial capacity.</li><li>✓ Technology adoption</li><li>✓ Leads good quality of life.</li><li>✓ Trust building</li><li>✓ Understanding of social &amp; gender sensitization</li></ul>

### Points for Future Strategies

- ✓ Creating a single license system.
- ✓ Establishing backward and forward linkages from MNCs.

✚ **Opportunities:**

- ✓ Huge amount Government support through Government Grant, subsidy & soft-loan.
- ✓ Good market linkages.

✚ **Challenge:**

- ✓ Limitation of loan set by the banks.
- ✓ Scarcity of good human resources.
- ✓ Strict bank loan repayment system.

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