

Gramin Vikas Trust – West Bengal organizes an Orientation Program on Producer Company Formation
&
An Exposure Visit to Srijani, a local NGO involved in WADI & Watershed Projects

An Orientation Program on Producer Company Formation was arranged on **12th July 2013** by Gramin Vikas Trust- West Bengal at Dubrajpur of Birbhum District, in order to provide the WADI beneficiaries an overview about the objective of Producer Company Formation with its prospects, the management team, Institution Building and the Business Concept from production to marketing of the WADI Produce.

The meeting was conducted between the farmers of WADI- Rajnagar and the GVT officials of West Bengal. The meeting mainly focused on the objective of Producer Company Formation with collection of WADI produce from the WADI Farmers, with grading, packing, labeling & marketing of the same in order to ensure direct control and access of marketing of the WADI Produce by the farmers.

The prospects of the Producer Company highlighted in the meeting were Changing Markets in future, Ingress of organized sector and free entry of Multinationals, Changing Consumer Preferences, Increased preference for packaged and processed food, Need for institutionalization of unorganized and marginalized farms, Bulk integration, minimal processing, hoarding and opportunity selling for remunerative price regimes, Need to convert farming as meaningful livelihood for poor,



marginalized & women and above all need to convert subsistence agriculture into agribusiness.

The initiation process of a Producer Company along with its schematic diagram of team composition with identification of Field Directors and deploying externally hired Management Members and the modus operandi of a Producer Company were

elaborated to the farmers by the key officials. The farmers were informed regarding the registration of the company into Society Registration Act and Company Act 2005 based on completion of filling DIN (Directors Identity Numbers- Digital).

The farmers were given a briefing about the allotment of shares, development of business plans, Establishment of Backward & Forward Linkages, arrangement of funds and etc. They were informed that the requisite amount of funds for the Producer Company would be received from NABARD for on lending the Producer Company Members for initiating its activities as per business plan and would be repaid within stipulated timeframe with the interest rate to be decided in consultation with Producer Company Members and GVT . This entire process would be routed through Gramin Vikas Trust.

The farmers were found to be very responsive & enthusiastic regarding the concept of Producer Company formation as according to them conversion of agriculture into agribusiness is highly lucrative and would help them to earn a better livelihood in the forthcoming future .

An exposure visit for key officials of GVT was arranged on **13th July, 2013** to **SRIJANI- a very active local level NGO involved in WADI & Watershed Projects**. The visit was mainly on their activities and progress in WADI works and their strategies in working with loan component under NABARD and their interventions regarding Producer Company Formation.

The officials of GVT were facilitated by Shri Purnendu Gorai- the Project Coordinator of Srijani. It was informed that the Producer Company they have opted for promoting has not being registered till now. But the members of the WADI Committee are now engaged in marketing of vegetables. The production of



vegetables has reached to such a level, that the organization has decided to take loan for purchasing a number of pick-up vans in order to ensure direct control and access of marketing of the vegetables produced by the farmers themselves.

The organization has formed a **protection committee** comprising of SHG members who are mainly responsible for the maintenance of those WADI where the farmers have been identified to be demotivated and inactive in work. They are also involved in production of vegetables along with its marketing. The 50% of the profit from marketing of the produce is given to the land owner, whereas the rest amount is shared by the committee members. The SHG members of the operational villages are involved in cashew processing by hand along with its grading, packaging & marketing. SRIJANI has also started marketing of vermi-compost in collaboration with the native blocks of Birbhum District.



SRIJANI has started to work with loan component under NABARD since February 2013. The total amount of loan sanctioned by NABARD was 20 lakhs with an interest rate of 6 % per annum. The organization is providing individual loan amounting to Rs. 10000/- with an interest rate of 9.6% per annum. The amount is paid to the beneficiaries in cash for activities like calf & goat rearing along with agriculture and others. The recovery rate is 100 % till now as the beneficiaries were reported to be very active in depositing the amount of interest within stipulated time period.

As a whole it was a very excellent experience on the part of GVT key officials to obtain an opportunity to visit SRIJANI and its operational areas. We expect to replicate the same for integrated development of our operational areas along with upholding the prestige of our esteemed organization.

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