



WEST BENGAL MODEL

West Bengal is among India's top ten banana producing states. Although, the potential to increase production is huge, it remains largely untapped due to appropriate value chain strategies.

Low awareness and access to good planting material (suckers), lack of awareness about good cultivation practices, pests, diseases and nutrient deficiencies and management that affect the plant, unorganized marketing channel, weak market intelligence, lack of value addition on farm and abysmally low access to institutional finance are a few reasons for the state's inability to reap the economic benefits of banana cultivation.

Based on experience of other successful Banana cultivations states in country there is an urgent need to take adequate measures to promote cultivation of tissue culture Grand Naine (G9) variety of banana in the state. Studies show that yield potential of tissue culture G9 variety is between 100-125MT/ha whereas the yield of traditional robusta variety is 50-70MT/ha (NRCB 2013). Besides, the yield potential of G9 variety, the other benefits are disease free crop, uniform growth and resistant to wind. However, only the promotion of G9 tissue culture plants is not the solution. There is a need to create enabling environment and infrastructure in the form of availability of plantlets, good extension mechanism, assured markets linkages and delivery of price information.

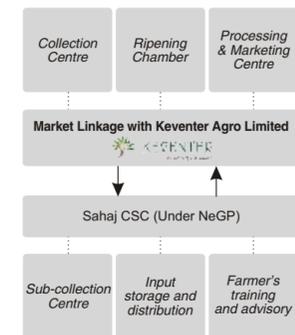
RBHs through Sahaj e-Village Limited

is teaming up with public and private sector partners to demonstrate best practices and strengthen producer-processor-retailer linkages to better address the challenges. The project envisages promoting technology i.e. cultivation of tissue culture Banana of Grand Naine variety through demonstration sites, community mobilization and, capacity building. The input and output linkage are being established through existing Government infrastructure of Common Service Centres (CSCs) being run by a Village Level Entrepreneur (VLE). The VLE is the owner cum franchisee of the CSCs with dedicated web portal and data centre developed and managed by Sahaj under e-governance program. Such CSCs are available at each Gram Panchayat level in West Bengal therefore, project Implementation through existing network of CSCs does not require infrastructural investment, however, capacity building of VLEs in the areas of farmer mobilization, crop nutrient, crop protection and post harvest management is needed to ensure viability and sustainability of the project interventions. The RBH model established in the existing project geographies, is replicable in other potential areas of the State with an expansion of product basket for market expansion. The USP of the RBH model is to have established market linkage with Keventer Agro Limited which is a renowned corporate body and has created high quality post harvest Banana processing facilities.

Key Project Achievements

- More than 3000 farmers mobilized
- Around 900 farmers will be adopting the tissue culture technology
- 6 Demonstration managed by Agri-experts and Scientists
- 6 Rural Business Hubs are being activated
- Best quality agri inputs worth more than INR 9 lacs have been traded through RBHs
- 110 formal trainings sessions for more than 2500 farmers and Village Level Entrepreneurs (VLEs) to build awareness and entrepreneurship development

Operational Model of RBH in West Bengal



HEAR IT FROM THE MEMBER FARMERS OF FPCS

“Using 3 new agri-inputs techniques in my field with the help of ESKPCL, namely, Bheema hybrid brinjal seeds of Shreeram Bioseeds, Biofertilizer-Harit kranti and Pheromone trap, I have saved around Rs. 2000/kattha on the cost of production and have got an enhanced productivity of 5-6 qtls/kattha from mere 3-4 qtl/kattha. Also, selling the produce to KGPL, the marketing partner of ESKPCL, I have earned a sum of Rs 1450 Rs/qtl of brinjal due to high quality which is Rs 400-500 higher than the market price.”
Shahdeo Ji, Member, ESKPCL FPO

“Along with getting good and right price of my potatoes for Rs 1070, which is 10-12% higher than the existing market price by selling it to KGPL, the marketing partner of HKPCL, my time from wandering in the mandis for sale of my potatoes and wastage in the due course has been substantially reduced.”
Harender Prasad, Member, HKPCL FPO

“The art of preparing organic and natural products which has been taught to us through the producer company, BKPCL, of which I am a member, has proved to be a boon and my life has taken a U-turn. Now, I am able to earn an amount of Rs 500-600 per month by preparing and marketing the products through BKPCL.”
- Manju Devi, Member, BKPCL FPO

“When I planted the tissue culture G9 plantlets I did not have much faith in them. They looked like tiny turmeric plantlets. I had done the planting solely on test basis at the persuasion of Sahaj team. Low growth during winter season had pushed me to the extent of thinking to remove them and plant traditional variety. However growth post winter has been amazing. I have received fruiting in my farm in only 7 months compared to 8 months in traditional variety. This has saved around INR 3000 for me.”
- Jayanta Ghosh, Project Farmer, Kariugachhi, West Bengal

“I have been working with Sahaj for more than five years as Village Level Entrepreneur (VLE) in Harekrishnapur Common Service Centre (CSC). When RBH project, started I decided to put up one demonstration farm. Best practices demonstrated there have helped my existing business as well in the form of enhanced footfall of farmers. Also, I have been supplying G9 plantlets and other agri inputs to new farmers adopting tissue culture technology. I have sold agri inputs worth more than INR 75 k. I am expecting a revenue of INR 1 lac in Nov-Dec'14 from my demo plots which will be invested in creating similar demo plots in other areas. I have experienced the revenue potential of Banana farming and would be expanding it to more and more farmers in my Gram Panchayat.”
- Ali Hossain Shekh, VLE, Harekrishnapur, West Bengal



Rajendra Kumar
Senior Manager
Business Development
Sahaj e-Village Ltd.
Mirania Garden, Plot No # 43
10/B, Topsia Road (East)
Kolkata – 700046
T: +91 8420117214
E: rajendra.kumar@sahaj.co.in
W: www.sahajcorporate.com



Sarada Prosad Choudhury
Assistant General Manager
Keventer Agro Limited
(F&V Division), Subhasnagar
Barasat, P.O.: Nilgunj Bazar
Kolkata – 700 121
T: +91 9836269245
E: spchoudhuri@keventer.com
W: www.keventer.com



Kaushlendra
Kaushalya Foundation
K-89, First Floor, Nr. HDFC ATM
P.C. Colony, Hanuman Nagar
Kankarbagh, Patna, Bihar
India – 800 020
T: +91 612 2355692 09308332102
E: info@kaushalyafoundation.org
W: www.kaushalyafoundation.org



Meetu Kapur
Executive Director
Food and Agriculture Centre of Excellence
Confederation of Indian Industry
India Habitat Centre
Core 4A, Ground Floor
Lodi Road, New Delhi-110003, India
T: +91-11- 463007490/46444623
E: meetukapur@cii.in
W: www.face-cii.in



RURAL BUSINESS HUB PROJECT

Establishing Innovative Agri Business Models To Increase Farm Productivity And Incomes

Agricultural development is a result of synergistic integration of enterprises into the value chain. It is characterized by the presence of enabling infrastructure and services.

The Eastern region, especially the states of Bihar and West Bengal, having largely missed on the benefits of the first Green Revolution hold enormous potential for development of agriculture. However, they are constrained by fragmented & smaller land holdings, infrastructural, production and marketing inadequacies and extremely low private sector investment. These problems may continue to persist unless structural changes take place across the agriculture value chain.

To overcome these hurdles and to transform the two states into matured agribusiness markets, it is imperative to mobilize and engage stakeholders in an organized, coherent manner that strengthens the sharing of knowledge and resources. It's also necessary to facilitate collaboration through joint processes and products, while creating diversified supply of goods and services in line with market demand. These will

result in the creation of higher value enterprises that generate larger per unit area returns at a profitable rate.

To achieve this, agriculture needs to be looked at through the value chain lens that has been embedded in the government thinking, as also evident from the 12th Five Year Plan (FYP) approach to agriculture and food processing.

To complement the Government's program "Bringing Green Revolution to Eastern India" (BGREI) which aims to provide investments to shore up market potential in rural areas and transform the eastern landscape, Confederation of Indian Industry–Jubilant Bhartia Food and Agriculture Center of Excellence (CII-FACE) and the United States Agency for International Development (USAID), have come together to improve agricultural productivity, output and incomes facilitating inclusive participation of all stakeholders to address backward and forward linkages promoting private-private partnerships creating sustainable business models.

“The Transforming Eastern India's Economies through Innovative Rural Business Hubs' (RBH) project is being implemented by CII-FACE in partnership with Keventer Agro Limited, Sahaj E-Village Limited and Kaushalya Foundation in West Bengal and Bihar respectively.

The project is impacting a population of 8,000 farmers in four districts of West Bengal (2) and Bihar (2). The overall goal is “To catalyse private sector investments in Eastern India economies and develop scalable and economically viable business models through Rural Business Hubs (RBH).”



PROGRAMME STRATEGY

The Rural Business Hub project is increasing farm incomes through inclusive economic growth. It is strengthening the private sector role in catalysing agriculture productivity while integrating broader participation in selected high potential agriculture value chains.

The project is strengthening value chain backward linkages to farmers in order to improve farmer capacity & productivity, post-harvest management including wholesale & retail marketing and distribution systems. This involves working with farmers and a public-private consortium ensuring consistent supply of inputs like seeds, fertilizer, pest management, mechanization services, extension services, finance & marketing services, agro-processing and marketing & procurement systems through a no-frills service model like RBH. It is promoting economically better rates of inputs and timely access to farmers in their local setting. The focus is on enabling farmers to efficiently use resources to reduce opportunity costs.

Working with the target communities, the programme staff scale up the capacities of communities who then work to develop and manage value chain activities. This process will eventually lead to community

"ownership" of managing all the activities across the value chain by its stakeholders.

Grassroots level activities of implementation with community members is optimised and sustained. Existing infrastructure such as Common Service Centres (CSCs) managed by a Village Level Entrepreneur (VLE), created at the Gram Panchayat level under the NeGP mandate, have all the required infrastructure including internet connectivity for ensuring timely access to agriculture related information for the farmers and establishing input and output linkages. Agri-Business Centers (ABCs), managed by Farmer Producer Companies, are a centralized facility, which perform a range of activities including input sourcing and selling, collective output produce marketing and advisory services to farmers, have been converted into RBHs to identify and make progress towards location-specific priorities.

The important factor is that the project leverages on existing investments in physical infrastructure to minimize operating costs for RBHs to operate beyond the project period. Each hub brings together a wide range of project partners that can include private sector companies involved in agricultural inputs, supply

& marketing services, processing facilities, equipment manufacturers, public-sector research & extension agencies, universities, NGOs and farmer groups.

The approach is to develop these Hubs as complete business platforms with a buyer and seller relationship and create a market place with various inputs and output service providers looking at the farmers as potential long-term customers of their advanced products and technologies ensuring a win-win approach for both the farmer groups and the corporates. It is imperative for the participating organizations to see these Hubs as a market area for them and deploy their manpower and other marketing resources for promotions of their products and make investments in the beginning with a long term horizon for recovery of their costs. The fundamental tenets of this program are anchored in the principles of economic profitability and viability for all players across the value chain. The project is striving to be sustainable by focusing more on institutional linkages for sellers and buyers, expanding agriculture product basket to increase volumes of transaction.



KEY COMPONENTS

Market Access

This is the USP of the project. The key to this approach is the identification of buyers to procure identified products, and specifically address supply chain requirements. This requires the identification of location-specific priority interventions, where each hub serves as the convening platform that brings together a mix of resources to address forward and backward linkages. The mix of resources are determined by the relative advantages and expertise from both the private and public sectors to ensure the integration of the key components required for creating an economical and sustainable value chain in both the states.

Community Mobilization and Capacity Building

Continued education and skill enhancement lead to maturity of communities and community based organizations, enabling them to enter into a self-reliant model that outlines a clear set of linkage priorities and the means to address them. There is need for a continuous hand-holding of farmers to create awareness of the best practices, package of knowhow to be able to benefit from the use of quality inputs for specific value chains.

Baseline of the project highlighted awareness and skill building as areas to focus on in project implementation

strategy. At the start of the programme, the emphasis was on community mobilization to link farmers and Farmer Producer Companies with the RBH project. Following which capacities of project stakeholders are strengthened through intensive inputs in the form of orientation sessions, training, visits and exposure visits. The main purpose is to build prosperous and sustainable agriculture sector by promoting and supporting four Farmer Producer Organizations formed in Bihar with 4800 member farmers and 3000 farmers in West Bengal through six CSCs to enhance productivity through efficient, cost-effective and sustainable resource use.

Demonstrations and Technology Acceleration

Demonstration plots are exciting forums for demonstration of benefits, learning and information exchange. The project introduces new technologies and best practices in banana and vegetable value chain through establishment of Demonstration Plots in collaboration with research and academic institutions and private companies.

The project is promoting opportunities for investments in technology innovation through these demonstration sites. Various technological interventions such as Grand Naine variety of Banana, hybrid seeds, post harvest management

practices are being introduced through demonstrations plots.

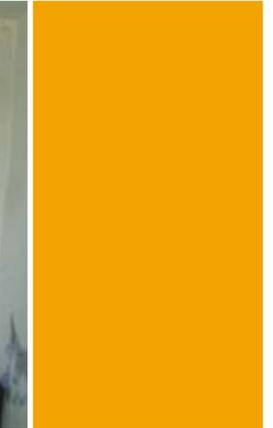
Leverage

Partnerships with Community, Public and Private Providers

For sustaining improved economic status of rural communities the programme staff works in partnership with community groups, private and public service providers; and local village-level organisations such as Farmer Interest Groups (FIGs), KVKs, Department of Agriculture / Horticulture in Patna and Nalanda districts of Bihar, ATMA and ICAR for creating exposure opportunities for target beneficiaries.

In West Bengal, 7 private and technical partnerships have been formed with Keventer for market linkage, Sahaj for farmer mobilization and capacity building, National Research Centre for Banana (NRCB) for technical knowledge, Bayer and Syngenta for plant protection & farmer mobilization, Jain Irrigation for Grand Naine plantlets.

In Bihar, Private Sector partnerships are formed with more than 20 companies such as Knids Green Private Limited, Namdhari Seeds, Harinath Seeds, Kushwaha Seeds, Arihant International, to name a few.



BIHAR MODEL

Bihar is endowed with affable climate and land resources for agriculture. It is a leading producer of spices and ranks third in fruit production and second in vegetable production (10.1%) in India. The state presents an overall picture of abundant natural resources with a potential to achieve growth better than more developed agrarian states in the country. Against this positive scenario, Bihar's agricultural performance has been below its potential. Productivity is constrained by general lack of infrastructure, fragmented land holding (around 0.6 hectares), lack of power supply and lack of private sector investments thereby farmers inability to provide a consistent supply that meets the requirements of well-established market linkage and interaction with commercial players.

Farmer Producer Organisations (FPOs) is a concept accepted by the private players, realizing that it is not possible for them to reach out to each and every farmer. FPOs offers a platform for aggregating farmers as well as demand as consumers of agricultural inputs and services. The primary objective of mobilising farmers into member-owned producer organisations, or FPOs, is to enhance production, productivity and profitability of agriculturists, especially small farmers.

The project has engaged four FPOs (BKPCL – Bakhtiyarpur Kisan Producer Company Ltd., BHKPCL - Barh Kisan Producer Company Ltd., ESKPCL – Ekangarsarai Kisan Producer Company Ltd. and HKPCL - Harnaut Kisan Producer Company Limited) promoted

by Kaushalya Foundation in association with Dept. of Agriculture and Cooperation, Govt. of India. The FPOs operationalize business development through skill building, demonstrations and linkages for inclusive agri business growth. Agri Business Centres (ABCs) managed by these FPOs have been transformed into Rural Business Hubs which are envisioned as one-stop aggregation point for integration of all elements across a vegetable value chain. Currently, this value chain is being expanded to include more products like paddy and maize to increase the value proposition. FPOs, through these hubs provide products and services to smallholder member farmers, enhance their productivity, reduce production cost and increase awareness about environment-friendly agriculture practices. Hence leading to substantial increase in their income and resulting in a life of dignity.

The FPOs have a well-organized governance structure of Board of Directors and a network of member farmers. They function through the Agri-Business Center/Rural Business Hubs and perform a range of activities including input resourcing and selling to their members, collective output produce marketing & advisory services.

The project has been strengthening the governance structure of these FPOs, building system for commercial activities through input and output transactions and developing collaborations with prospective partners.

Key Project Achievements

- 4 Agri-Business Centers (Rural Business Hubs) operationalized have bank account and input (seed, fertilizer and crop protection) licenses
- Membership of 5000 farmers through 4 FPOs
- 44 Demonstration plots
- Advisory services to farmers for soil testing, crop protection and weather information
- Input Linkage: Input supply tie-ups with 20 companies benefitted 1243 farmer members
- Tie-ups with Knids Green Pvt Ltd, whole sellers in Bihar Sharif and Patna mandi
- Transaction of Input and output worth Rs 8.6 lakhs by FPCs
- Share Capital worth Rs 2.5 lakhs contributed by more than 3000 farmers

