

Building Stronger Farmers Associations



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Global Theme on Crop Improvement

Building Stronger Farmers' Associations

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Foreword



Promoting farmer participation and farmer-led innovations is high on ICRISAT's research and development agenda. Its mandate crops sorghum and pearl millet, apart from being used as food, have great potential as energy sources for use in poultry feed and other industrial products. However, farmers who grow these crops are usually resource poor and unorganized.

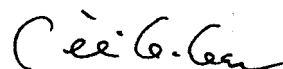
This publication is the outcome of the CFC-FAO-ICRISAT project on “Enhanced utilization of sorghum and pearl millet grain in the poultry feed industry to improve the livelihoods of small-scale farmers in Asia”, which aims at enhancing the production of these two crops by providing superior cultivars and best technological options to farmers apart from building their capacities to form associations.

The facilities developed under this project in the cluster villages helped farmers harvest the crop at physiological maturity and dry harvested earheads using sorghum earhead driers. In addition, ICRISAT empowered farmers with knowledge about aflatoxins, tannins and mycotoxins and timely harvesting and drying of earheads and grain. The storage structures built by the farmers themselves under this project and the training provided to them on grain storage has solved the problem of storing produce and has simultaneously promoted farmers' ownership of the infrastructure. Farmers have been able to obtain short-term loans against their stored produce. These innovations helped farmers avoid distress sale of produce and in realizing better prices.

The project highlighted the importance of forming farmer associations, and on linking these groups to markets, training them in bulking, grading and bulk marketing of grains, thereby modifying the conventional supply chain to effectively avoid middlemen. The publication describes how promoting farmer-centered, farmer-owned and farmer-managed participatory approaches led to farmers benefiting in terms of improved market intelligence, minimal exploitation by middlemen, and better bargaining power.

More importantly, the project developed an innovative coalition approach with research organizations, private agencies, NGOs and the farming sector to systematically implement its activities. The enthusiasm, cooperation and hard work of the farmers from India, China and Thailand in successfully implementing the activities during the last three years and forging stronger farmer associations in each of the clusters, is commendable. They are the real winners!

I would like to thank the Common Fund for Commodities for their financial support to the project and the Food and Agriculture Organization for their constant guidance. I am sure that this publication will generate interest among researchers, development workers, policy makers and donors in promoting farmer participation in research and developmental projects.



William D Dar
Director General
ICRISAT

Building Stronger Farmers' Associations

1. Introduction

Most developing countries are predominantly agrarian societies with agriculture being the chief source of income and employment and main driver of economic and social development. In macroeconomic terms, it contributes substantially to a country's gross domestic product, generates foreign exchange and is the source of capital formation. Apart from production of food, fodder, energy and raw materials, agriculture provides livelihoods and employment to rural populations. It follows therefore that economic growth exists in a mutual and proportional relationship with welfare of the poor in the agriculture sector. However, proper growth can occur only if there is expansion of the rural economy and is highly dependent on equitable access to productive resources such as land, technology, inputs, credit, human skills and capital.

Although urban poverty has been rising too in the past decade, poverty is largely a rural phenomenon. Three-quarters of the world's poor live in rural areas. The majority of the rural poor comprise small-scale and marginalized farmers or farm laborers who are disadvantaged in several ways. They receive less education and make do with inadequate infrastructure such as roads, access to markets, fresh water, education, health, communication and agricultural services. Developing farmers' institutions should therefore be an important element of a poverty reduction strategy.

The three-year CFC-FAO-ICRISAT project on "Enhanced utilization of sorghum and pearl millet grain in the poultry feed industry to improve the livelihoods of small-scale farmers in Asia" is working with groups of such farmers in the semi-arid tropics (SAT) of Andhra Pradesh, Maharashtra and Karnataka states of India and in Thailand and China. The project's goals are to enhance crop productivity and lay down input and output linkages for better marketing of produce. It seeks to link farmers with better quality seed suppliers, other input suppliers, credit agents, and with poultry feed manufacturing companies, poultry producers and other end users of sorghum and pearl millet in order to ensure more effective input-output marketing-chain management. The project adopts a coalition approach that involves partner institutions including farmers' associations and organizations, nongovernmental organizations (NGOs), private sector companies (feed manufacturers, seed companies and poultry producers) and agricultural

universities (Fig. 1). The partners work together to enhance farmers' knowledge and skills pertaining to improved production technologies, harvesting, storage and handling practices, and bulk grain marketing. In India, the project organizes farmers in selected clusters of villages (Table 1) into collaborative associations. Project activities involve training these associations in innovative marketing systems and creating necessary infrastructure like earhead driers and construction of storage structures. They also include distribution of seeds of improved cultivars; capacity building of farmers in using improved crop production practices; construction, monitoring and management of storage structures and installation of driers with technical backup from ICRISAT, the project executing agency (PEA); warehouse management and maintenance; and exposure to practices in other areas of the project for cross-cluster learning. The project also aims at turning each farmers' association into a bigger cooperative society in future to cater to the farmers' overall needs.

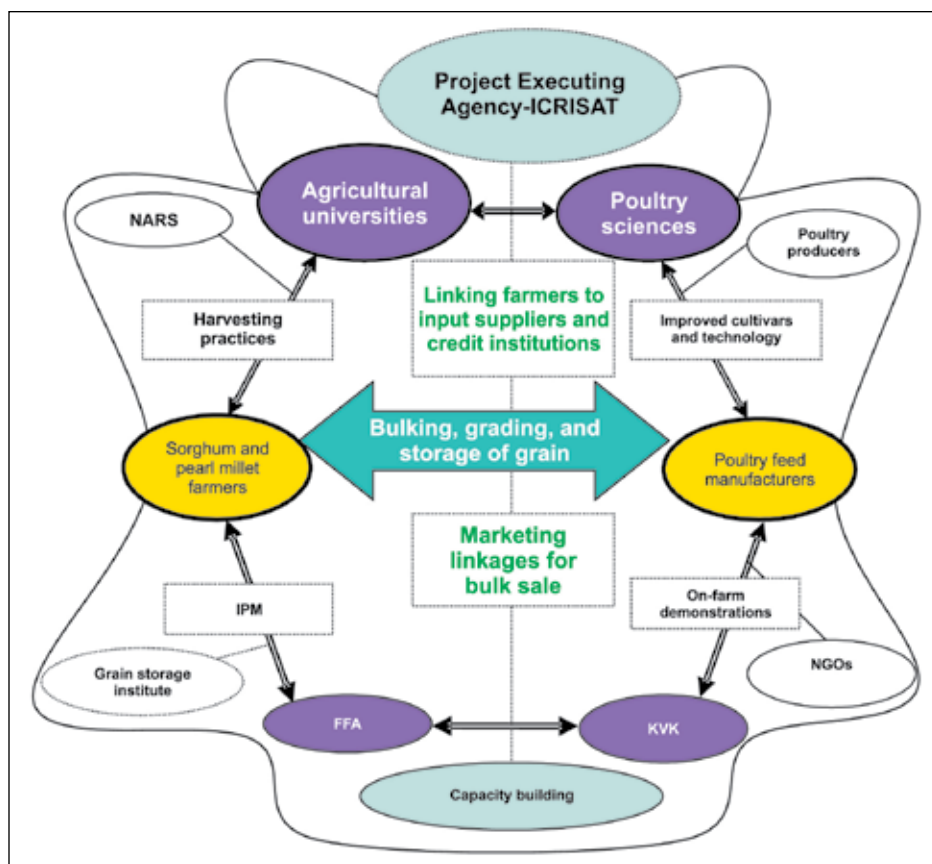


Figure 1. A flow diagram illustrating the coalition approach adopted by the project.

Table 1. Selected project villages in India.

Andhra Pradesh		Maharashtra		
Udityal cluster	Palavai cluster	Anjanpur cluster	Koke cluster	Rohatwadi cluster
Udityal	Palavai	Anjanpur	Koke	Rohatwadi
Chouduru	Peddapalli	Kopra	Moak	Tirumalwadi
Rangamapalli				
Sooraram	Kuruvapalli	Tat-Borgaun	Shek/ Shrirampur	Bedarwadi
Bandapalli	Pavanampalli	Dhanora	Gondla*	Domri
Bheemaram	Paramala	Hiwara	Wagi*	Wadzari
Veerannapalli	Kondapalli	Somnath Borgaun	Ganpur*	Tagola*
Kakarjala	Kakularam*	Sripathwadi*	Nandkheda**	Bhusarwadi*
Macharam*	Amaravai*	Sangaon*	Sunpuri**	Naigoan*
Gunded*	Bijjaram*	Kanedi*	Karadgaon**	Ghatewadi**
Nerellapalli*	Parcheria**	Motegaon**		Dewaci Kochi**
Raghavpuram**	Gonipadu**	Kanadi Badam**		Bensur**
Chokkampet**	Dawderpalli**	Wapagaon**		
Kamsanpalli**	-			

* Villages selected in the second year of the project.

** Villages selected in the third year.

The farmers' associations are informal, voluntary and self-governing groups of small and marginal farmers. Typically, farmers from a group of adjacent villages in a given cluster are brought together in an association. This publication relates the experience gained and lessons learnt in organizing farmers' associations and the advantages they yielded to small-scale farmers.

2. Purpose of Farmers' Associations

The main function of these associations is to help lower the delivery cost of public and private sector input supply agencies and, at the same time, help farmers reduce their individual cost of accessing these services by sharing input, production, processing and marketing costs. Once they become self-reliant, the associations serve as useful mechanisms to broaden the outreach of development programs at little or no additional cost. They help build rural social capital by establishing self-help linkages and encouraging broad-based collective action on economic, social and political fronts.

3. Developing a Farmers' Association: Strategy



Figure 2. An informal discussion with farmers is a prelude to the formation of an association.

Our attempt at institutional development of farmers' associations in the project areas yielded a number of lessons and possibilities for the future. There were different dimensions to institutional development, and the levels of intervention varied depending on these dimensions:

- The micro level, which comprised of several farm families in a particular village
- The macro level, consisting of clusters of villages or communities in the project area.

In recent years, decentralization policies in India have provided an impetus to local governance and village-level decision-making. However, *panchayats*, as elected local bodies of government are known in India, were observed to have given quite meager attention to the farming sector in the project area. The project

conducted *grama sabhas* (farmers' meetings) to brief farmers about the project's objectives and activities and to encourage their voluntary involvement in forming an association.

The tasks of the village-level workers, drawn from various partner organizations, included mobilization of farmers and training of local facilitators. At the cluster level, the project envisaged sorghum and pearl millet commodity supply chains as the organizing principle. The following principles were used for developing and strengthening farmers' associations:

- Educate farmers on the advantages of such associations
- Allow all sections of the farm community to join the project
- Understand small farmers' strengths, potential and weaknesses
- Assess their needs and prioritize them for action
- Plan for capacity building of the participating communities
- Empower farmers, especially the poorest ones, to increase their potential
- Interact with other institutions and seek their contribution to farmer welfare
- Respond to the needs of farmers and build their capabilities in developing infrastructure such as storage structures, drying sheds, driers, etc
- Improve access to farm credit, better-quality inputs, improved production and post-production technologies, skills in integrated crop management, economic opportunities and social services
- Link farmers to markets and end users to enhance their income
- Bulk the produce in the village godown and improve their bargaining power.

a. Initiation

The idea of constituting farmers' associations at the cluster level was conditioned by the response received from farmers during exposure visits and the stimuli provided by project partners. Experience from this project indicates that farmers' associations are more effective when initiated by the farmers' own volition and are not dependent on financial support from the project. Support from the project should be rendered in the form of long-term benefits such as technical knowledge, farm advisory services and linkages with input and market actors.

During project initiation, the project executing agency (PEA) trained the facilitating partners on the conceptual basis of farmers' associations and supplied clear guidelines and training materials to their workers. The coalition partners



Figure.3. Meeting with cluster farmers regarding farmers association benefits and formation rules and regulations

helped farmers identify their main constraints and possible solutions. Farmers were encouraged to develop a sense of ownership of the association by participating in project activities. They were made aware that the onus of implementing the association's decisions and dealing with the consequences lay with them.

b. Factors Influencing Growth and Development

A number of factors influence the growth, development, self-reliance and sustainability of farmers' associations. These include:

- Overall purpose
- Social environment
- Composition of the community
- Political interference
- Potential benefits
- Motivation and timing

- Role of facilitator; and
- Extent and form of external support.

While encouraging farmers to come together, it was important to ensure that they understood the objectives of the project and the possible benefits to be gained from forming a farmers' association. Although this took time, the project team and the facilitating partners did not try to speed up the process. Due care was exercised by the project executing agency, to ensure that the partners' role remained a supportive and facilitating one. It was made clear at the outset that the project would not provide any special grants, although some support would be given for developing required infrastructure such as storage structures and grain driers and accessing crop loans from credit agencies. No other incentives were given in order to avoid dependence. The facilitators were well-trained development professionals who drew upon knowledge gained in similar activities elsewhere, and ensured that there was minimal conflict between the conceptual basis of the project and local agroecological, environmental, social, cultural, religious, political and economic conditions.

c. Influence of Sociocultural Norms and Conditions

Local sociocultural norms and conditions have a major influence on a project of this nature. For instance, an improvement in the condition of resource-poor farming households might be viewed by the more powerful groups as a challenge to their interests. The proposal for organizing small and marginal farmers, therefore, was based on an analysis of the existing situation in each village cluster. Preproject socioeconomic surveys and village-level meetings were conducted to assess the likelihood of resistance or economic or physical reprisal by powerful groups such as local moneylenders, input suppliers and market agents. These precautions ensured that the project was in consonance with the local socioeconomic environment. Apart from this, the project team assessed the existing social capital in the project villages as well as social parameters such as ethnicity, religion, caste, education, etc., before designing the project.

4. The Process

a. Objectives of Forming Farmers' Associations

As we have seen, the focus of the farmers' associations was on enhancing sorghum and pearl millet productivity and establishing linkages with input, credit and market actors. There is scope for such associations to extend

their role to multiple other activities that are relevant to rural livelihoods. However, dealing with a number of associated – often complementary – tasks can present difficulties relating to management, prioritization and conflicting member interests. For the purposes of this project, therefore, it was decided to start with a narrow focus because the benefits were more likely to be quick and tangible.



Figure 4. Women members keenly listen to the advantages of forming farmers' associations.

b. Access to Savings and Credit

Although the project did not start off with activities related to savings and credit facilities, the already existing need in the project villages for such facilities served to

encourage small-scale farmer groups to come together under the project umbrella. It was clear that many of them did not access credit from banks because of the poor infrastructure and the poorly developed rural banking system. Instead, they turned to the local moneylender despite the high interest rates. Project activities taken up to address this problem, such as conducting negotiations with bankers and creating linkages between small-scale farmers and banks, became one of the stimuli for association formation.

c. Production and Marketing

Since the developmental goal of the project was income generation and better livelihoods, sorghum and pearl millet commodity focus groups were formed around the common interest of boosting income through enhanced production and/or marketing. These groups were most relevant in village clusters where the commodities are native to the area and are finding new industrial uses and where benefits from production have suffered due to market connectivity and attendant problems (exploitative middlemen, lack of information, etc). However, since development problems are a result of several different, but not disaggregated, social, economic and cultural factors, no single agency can address all issues and provide solutions to all problems. This project underscored the fact that dialogue, linkages, networking, technological coalitions and coordination of linkages can help



Figure 5. A sorghum grain storage godown in Udityal village.

lay out appropriate mechanisms to solve development problems. In that context, farmers' associations can be a useful institutional mechanism.

5. Formation of Farmers' Associations: Time and Steps

While organizing farmers in collaborative associations, it is imperative that adequate steps and time be taken to promote the idea first. Farmers should be prepared to work together for the common good. Most importantly, they must be willing to constitute an association. The right time to set up an association would be when the farmers themselves feel the need for it and have the capacity to do so.

a. Membership

It was made clear from the beginning that the association would be open to all small-scale farmers who cultivate sorghum and pearl millet. In every activity women farmers are encouraged to join the association to harness gender diversity.

b. Selection of Leadership

Transparency was an important aspect of this project. The project team learnt that continuing vigilance and understanding the local sociopolitical situation were crucial necessities for building a farmers' association that is free of conflict. To begin the process of association formation, various project activities were taken up on an informal, ad hoc basis, to learn which farmers were the most interested in collaborative action and most dedicated to group improvement. By "working first and organizing latest," the project team was able to identify an appropriate and committed leadership.

The leadership of the farmers' association in each cluster was chosen by consensus rather than election.

The idea of an election was rejected because it was felt that most of the members had little knowledge of the candidates. Also, there were apprehensions that electioneering might prove divisive and therefore detrimental to the purpose of the association. The simplest representational pattern used was indirect selection, with each village selecting two members to represent it in the management committee of the association. These nominees in turn elected the chairperson. The clusters came up with their own "job description" (in terms of education, temperament, nonpartisan attitude, clean personal reputation, etc.) for the leadership positions. This narrowed the pool to persons who met consensual criteria, and, as a result, the selected nominees were well aware of the members' expectations.



Figure. 6 A farmers’ association representative airing his views during a meeting with officials

c. Promoting Solidarity

Factors such as coverage, size, group activities, gender and sociocultural context influence the effectiveness of a farmers’ association. These factors vary from cluster to cluster. It is the social context that mainly determines the success or failure of mixed-gender groups (as opposed to single-sex groups), and the likelihood of women being able to participate equally in administration, leadership and discussion. Securing equality for women in leadership and decision-making positions required the project team to take a culturally sensitive approach in most of the villages. This approach took time to yield results (ultimately resulting in a woman becoming the leader of a finance group). The male members had to be sensitized to encourage women to participate in mixed-gender meetings and decision-making fora. Male cooperation was needed also in empowering women with leadership skills. Confidence building was an essential element of such skill development, which was done through a series of events. Facilitating actions – such as child-care arrangements, transportation to the meeting venues, etc –were taken to encourage women’s participation in association meetings. Women farmers were persuaded that benefits from participating in the association would be significantly more than

the opportunity costs of loss of time devoted to other activities. The role of local members and association leaders was crucial in this effort. By tackling gender issues in the training sessions, the project achieved a better gender balance in the association and its activities.

6. Organization and Management

a. Resource Mobilization

The project required the associations to mobilize their own resources. However, few farmers came forward to contribute money for activities such as construction of storage structures. Special efforts had to be made in all clusters to emphasize the importance of internal resource mobilization. This resulted in members making contributions in the form of labor and lending their tractors for transportation of construction material without rental charges.

b. Measures for Generating Income to Meet Operational Costs

Several measures were taken to generate income to meet operational costs. Fees and charges were fixed so as to reflect the real cost of a service; cross-subsidization was discouraged. These income-generation steps included:

- Service charges for the storage of farm produce in storage structures built as part of the project
- Charges for the use of storage structures for events such as family celebrations
- Service charges for the use of driers
- Service costs on transactions (such as fertilizer or other inputs supply)
- Membership fees were crucial for mobilizing funds. Regular payment of fees was an important indicator of group solidarity. If members regularly paid their dues, it implied that they saw the association as beneficial.

c. Managing Multiple Activities

Poverty is a multifaceted problem which needs to be tackled on several fronts. However, it is imperative that farmers' associations, to be effective, concentrate their energies on a few activities and not take on too many tasks at the outset. Trying to provide too many services could:

- Diffuse their focus
- Lead to differences among members over priorities
- Become difficult to manage.

d. Governance

It is important to have clarity in the group regarding governance. There must be a set of written rules, regulations and procedures to govern the basic functions and activities of the association. The rules depend on the legal status of the body: whether it is formal or informal. All of the farmers' associations are informal at present but they follow a system of keeping accounts and minutes of meetings. The purpose of these systems is to ensure accountability to members and transparency of transactions. The stage of development at which an association should adopt formal rules of governance depends on various factors, most of them location-specific, such as experience, objectives and mandated activities.

e. Bookkeeping

The need for reporting, accounting and monitoring and evaluation mechanisms was discussed by the associations in each cluster. It was decided to use at least simple bookkeeping systems. The management committees meet once in 15 days and review the progress of work undertaken.

7. Project Interventions

a. Capacity Building

Training was an integral part of association activities. At every stage in the development of farmers' associations, different types of training, tailored to specific needs, were provided. As a long-term educational exercise, farmers were trained in group formation, group

dynamics, production, processing, marketing, etc. Capacity building activities focused on immediate needs such as supply of quality inputs like seeds through bulk purchase, linking farmers with credit institutions for timely credit, and bulk marketing of produce.

Training for farmers and management committee members was based on the needs assessed for each association and cluster. It involved enhancement of their technical and business skills such as preparing business plans for acquiring inputs, developing marketing strategies and organizing bulk

purchases of inputs or bulk marketing of outputs. It also included knowledge of what to produce, where to get cheaper inputs, and when produce should reach the market to get a high price. Information was shared among members. The training programs had to be flexible in order to meet each association's changing needs.



Figure.7 An ICRISAT scientist demonstrating the use of a sorghum earhead drier.

b. Access to Resources and Effective Linkages

The preproject studies (baseline survey) conducted for this project indicated that the overall dimension of rural poverty related to:

- Farmers' institutions
- Production constraints
- Access to improved-cultivar seeds and technologies
- Access to productive assets
- Access to inputs
- Access to markets, and
- Formal and informal rules applicable to the farming sector.

On the basis of interactions with farmers and the project team's previous experiences, it was felt that farmers' associations were viable platforms to bring farmers together, build their capacities and enable them to gain access to resources, credit, inputs and markets. This would directly help them in cutting uncertainty and transaction costs, and empower them to make choices relating to feasibility,

productivity and profitability of farm enterprises. It would also help to pinpoint asymmetric access rules, and allow farmers to raise their voice and have it heard.

The preproject studies indicated that secure and equitable access to resources and markets was the key to improving the incomes of small-scale farmers. This was the foremost action needed to address poverty issues and promote the overall development of farm families. The study also provided insights into the potential benefits available to poor farm families from local resources and their ability to generate income from these resources. Evidently, improvement of their livelihoods depends on the strength of their coming together. Access to resources is influenced by the extent to which farmers are organized and the institutional arrangements available and finally the contextual social and political structure. Farmers' organizations, therefore, would have a vital role to play in rural change.

Access to Agricultural Technology. One of the aims of this project is to help increase farmers' access to new technology that can improve farm productivity. This role had in the past been performed by agricultural extension services and research institutions. But now public spending on extension and research is shrinking, and institutional changes, such as privatization of farm services, have thrown it open to many new actors. For farmers this means that they now have to bear the cost of service delivery. Other trends are affecting technology access too; for instance, efforts by various actors such as donors to make farming market-oriented. These developments have created a need for new services such as market information, quality standards and bulking and grading of produce.

The first issue to be addressed in relation to technology access is how demand for technology is effectively articulated by small farmers. Support for the organization of effective and inclusive demand is definitely not a trivial task. Rural communities are often heterogeneous in their technical demands – apart from the fact that many local decision-making systems are not well organized, or are dominated by elites of the local area. Farmers' associations appear as an attractive approach for articulating such demand. This project has identified a few areas for immediate collaboration in developing a common understanding of the issues of technology development as they relate to the needs of the rural poor: for instance, sharing of experiences between scientists and farmers, higher levels of coordination for ongoing field operations and support for initiative-linked activity, focusing on the development of farmers' learning platforms.

Access to Institutional Farm Credit. Farmers need credit to buy quality seeds and other inputs required for higher productivity and production. In the case of small

and marginal farm families, these investments have to be financed by external financial agencies.

Credit is required usually for the period of crop production (sowing to harvest). The baseline survey conducted for this project clearly indicated that farmers also need cash after the harvest for meeting immediate family requirements. In the absence of institutional credit facilities, they sell their produce in the local markets or to middlemen soon after harvest at nonremunerative prices. Thus, postproduction credit needs to be given equal importance while designing credit requirement strategies.

The important measure for credit, as prioritized by the farmers, are:

- Purchase of quality seeds
- Purchase of fertilizers, pesticides
- Purchase of farm equipment/equipment hire charges
- Payment of labor charges for sowing and harvest
- Credit prior to sale of produce while produce is stored in warehouse.

c. Planning for Credit Linkages

Credit Systems in the Project Villages. The important credit systems prevailing in the project villages include:

- Private moneylenders (individuals)
- Local input dealers
- Private finance companies
- Local agriculture cooperatives
- Public sector banks.

Constraints in Farm Credit. The survey listed the following constraints associated with farm credit in the project area:

- Nonavailability of timely credit
- High rates of interest when borrowed from private sources
- Lengthy and complex procedures involved in bank credit
- Complex credit-processing procedures
- Middlemen facilitating loans on a commission basis
- Loan periods are usually short.

These constraints are determined by:

- Policies of the government, which governs the overall outlay of finance for the farm sector
- Legal and regulatory framework of farm credit agencies
- Institutional diversity of credit/finance organizations providing credit to farmers
- Formalities and procedures of credit disbursement
- Time taken to process loan applications.

Meetings with Farmers' Associations. Several meetings were organized at the village and cluster levels to highlight the importance of credit linkages with public sector banks. These meetings also served to set at rest any apprehensions the farmers may have had about sharing information with field-level workers. These meetings became platforms upon which farmers shared their credit problems.

To further gain the farmers' confidence, public sector bankers were invited to join these meetings to explain loan procedures. Applications were filled and loan procedures made simple for the farmers.

The project partners and bank officials fixed convenient days for the farmers to visit the bank to discuss matters pertaining to loans. This was helpful in building confidence in the farmers. This practice has become popular because farmers get undivided attention from banks on these days.

d. Enhancing Farmers' Knowledge of Agricultural Credit Schemes

During farmer-banker interaction meetings at the village Senior bankers provided information regarding various farm credit schemes, including short- and medium-term loans. Project partners were advised to help the banks in identifying the farmers who would be eligible for the loans.

A size of loan amount depending on the size of the farmers' land holding and credit requirement. While applying for a credit card, the farmers needed to furnish only minimum documentation: (1) A duly filled-in application form; (2) a copy of the title deed to the land such as a *patta*/pass book /record of rights; and (3) a photograph. The senior bank official has simplified the procedures of loan application during the interaction session and advised the local branch officials to act accordingly to facilitate loans to small –scale farmers.

e. Making Farmers' Voice Heard by Credit Institutions

The interventions undertaken by the project succeeded in making the farmers' voice heard by finance institutions. The joint dialogue between farmers and financial institutions brought about tremendous changes in the mindsets on either side. The farmers were able to provide inputs to the bankers in the design of loan products for the farm sector. This mutual understanding of priorities and constraints had an effective impact on loan decisions. For instance, banks modified several of their administrative procedures for processing loan applications. They also gave priority to project farmers.

8. Growth and Sustainability of Farmers' Associations

a. Sustainability

It might be unrealistic to expect farmers' associations to continue their work without any external guidance. While financial self-reliance and sustainability should undoubtedly be cardinal aims, there might be need for continued external guidance. Low maintenance costs are imperative in view of the role of the associations in facilitating information exchange between farmers in technical, business, organizational and social skills. In effect, the associations can be seen as a useful form of social capital and a center of rural learning.

Without exception, successful and sustainable associations can be built on two fundamental cornerstones:

- They satisfy members' felt needs
- They generate net positive benefits for their members; for each member, the economic and social benefits of participation must outweigh the costs of participation.

Sustainability should be looked at in terms of behavioral patterns and norms rather than in structures. If positive lessons had been ingrained, they would contribute to sustainability; if not, structures would die out as they lose their utility. Some of the basic indicators that should be considered, but are too often ignored, include:

- Membership growth should be increasing year by year
- The frequency of association meetings should show an increasing trend; members' attendance/participation in meetings should be as high as possible and record an increasing trend
- Whether the association has been able to develop a self-sufficiency and sustainability plan.

b. Legal Recognition to Associations

The procedure of legal recognition is determined by local legislation. Informal operation in the beginning allows flexibility, but may bring difficulties when financial support is sought. Legal registration is necessary to obtain loans and be eligible for assistance by some service providers. On the other hand, legal recognition might also lead to increased government intervention and control, which might not be always beneficial.

The farmers' associations organized in the CFC-FAO-ICRISAT project clusters are still informal. It is being argued by some members that if the associations are formalized, they may be unable to respond to the changing environment. Social learning and adaptive planning would become difficult. There should be a natural dynamic development matching the scope of activities.

c. Capacity Development

Capacity development refers to the approaches, strategies and methodologies used by an institution/project to improve performance at the individual, organizational, association/network/sector or broader system level for creating an enabling environment.

Capacity development has been one of this project's core tasks since its beginning. Initially, the focus was on building up the technical skills of individual farmers; in the second year the priority shifted to the development of farmers' associations. The project has seen capacity development as a process of strengthening the abilities or capacities of individual farmers, their associations and ultimately their cooperative societies to make an effective and efficient use of resources, in order to achieve better livelihoods on a sustainable basis. This requires investment in farmers as individuals and their organizations.

d. Investment in Farmers

This dimension of capacity development primarily looks at how to develop the individual capacities of farmers as an important human resource at the village level and to use them for the overall development of society. This comprises the transfer of knowledge, experience, skills and values, behavioral changes, the development of cooperation and communication systems, and ways of enhancing opportunities for them.



Figure.10 A farmer receiving her credit card from the AGM of the State Bank of India.

e. Investment in Community Organizations

The aim is to boost organizational output through training and upgrading for the members of the associations/organization, the establishment of operation and management guidelines, the development of an organizational and management culture and improvement of work processes. For the project, investments in farmers and the organizations in particular are value-oriented, because these activities go hand in hand with the fundamental values and principles of:

- Innovations
- Sharing responsibilities
- Transparency
- Accountability
- Participation.

9. Association Capacity Development

Within the scope of the project, capacity development is a task performed by the PEA and coalition partners within the framework of the project strategy for the area in question. This includes efforts to meet the capacity development demands of the farmers and management committee members of the associations during a change process. These are primarily the following:

a. Participatory approach

The project realized the need for capacity development which requires a systematic approach that promotes participation of the stakeholders. The project adopted a farmers' centered, farmer owned, farmers' managed participatory approach for project planning, implementation, monitoring and evaluation.

b. Long-term, flexible measures

Capacity development needs a long-term, consistent approach that must not be sacrificed to short-term measures and the rapid dissemination of success stories. Firstly, capacities can only be built gradually over a period of time and these capacities can themselves quickly deteriorate if they are not maintained and utilized by the members in the association. The project is planning to provide handholding support through the partners who continue to operate in the cluster areas. The dialogues on this with the farmers are in progress.

c. Good project design

The CFC-FAO-ICRISAT project design has been very flexible and has always adopted participatory approaches in the identification of capacity gaps and planned for proper interventions to overcome these gaps. An effective contribution to developing endogenous capacities in the villages presupposes a systematic reflection by the farmers and the coalition partners about the planned change process.

d. Impact orientation

Capacity development initiatives in the project always focused on how the project can bring in changes in the farmers, their associations and societies, and what incentives it creates for the participating farmers to maintain these impacts in the long term. Studies have been planned to develop more and more indicators apart from the ones which were used at all levels to quantify improved performance.



Figure.11 Farmers from China pay a visit to an AP cluster village.

e. Help towards self-help:

In principle, the project's capacity development inputs were designed to encourage the efforts of individual farmers, their associations and societies to resolve problems independently and to achieve their objectives. They have been trained towards a self-help concept. The partners have been able to provide support for strengthening endogenous change processes.

f. Ownership and participation:

Capacity development is an endogenous change process that was initiated and steered by the project partners with support from ICRISAT. Their willingness and interest to assume responsibility, to provide inputs and to independently continue and refine their experiences has been vital in making the change processes more effective and sustainable. The building of storage structures by farmers in the project clusters gave them better experience and greater confidence.

g. Gender equality

The project paid special attention to the capacity development of women, ethnic minorities such as Lambani's and low-income groups. The marginal status of these groups within society means that they do not have adequate access to the services that they require. Therefore, the project's capacity development measures were complemented by target group-specific activities in order to provide special attention to the above underprivileged groups. The women SHGs were given special training and they also shouldered the responsibility of distributing seed to individual farmers in the association.

11. Conclusions

Farmers' associations at the village level can be wonderful institutions for catering to the various needs and requirements of small-scale farming families at and promote a group action among them. These associations can also serve as a useful form of social capital and a centre of rural learning.



About CFC

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution established within the framework of the United Nations. The Agreement Establishing the Common Fund for Commodities was negotiated in the United Nations Conference on Trade and Development (UNCTAD) from 1976 to 1980 and became effective in 1989. The first project was approved in 1991.

The CFC forms a partnership of 106 Member States plus the European Community (EC), the African Union (AU) and the Common Market for Eastern and Southern Africa (COMESA) as institutional members. Membership is open to all Member States of the United Nations or any of its specialized agencies, or of the International Atomic Energy Agency, and intergovernmental organizations of regional economic integration, which exercise competence in the fields of activity of the Fund.

CFC's mandate is to enhance the socio-economic development of commodity producers and contribute to the development of society as a whole. In line with its market-oriented approach, the Fund concentrates on commodity development projects financed from its resources, which are voluntary contributions, capital subscriptions by Member Countries. Through cooperation with order development institutions, the private sector and civil society, the Fund endeavors to achieve overall efficiency in and impact on commodity development.



About FAO

The Food and Agricultural Organization (FAO) of the United Nations is an autonomous intergovernmental organization established in 1945, which leads international efforts to defeat hunger. Serving both developed and developing countries, FAO acts as a neutral forum where all nations meet as equals to negotiate agreements and debate policy. FAO is also a source of knowledge and information to modernize and improve agriculture, forestry and fisheries practices and ensure good nutrition for all. The main functions of FAO include collection, analysis, interpretation and dissemination of information relating to nutrition, food and agriculture. It promotes, disseminates and, where appropriate, recommends national and international action with respect to scientific, technological, policies, marketing and distribution, conservation of natural resources, social and economic research relating to nutrition, food and agriculture. It also undertakes the function of furnishing technical assistance to the governments on request, in cooperation with the governments concerned.

About ICRISAT



ICRISAT
Science with a human face

The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) is a non-profit, non-political organization that does innovative agricultural research and capacity building for sustainable development with a wide array of partners across the globe. ICRISAT's mission is to help empower 600 million poor people to overcome hunger, poverty and a degraded environment in the dry tropics through better agriculture. ICRISAT belongs to the Alliance of Centers of the Consultative Group on International Agricultural Research (CGIAR).

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