

## Helping farmers through forming a Producer Company



Barwani Farmer Producer Company is located in Block Ranapur, Darwani district of M.P. It got registered on 15th May 2012. At present company has 1685 number of shareholders with equity of Rs. 1,82,4600. The company was formed with an objective of providing effective linkage with the value chain, products and services for enhancement of the income of the shareholders. The company has helped them address issues such as low incomes due to the absence of post-harvest infrastructure, low value addition and absence of organised marketing processes.

In 2012, company started commencing business by selling of agriculture inputs to the small farmers. Inputs like seeds (cotton, maize, and wheat), manure, fertilizer, etc. are sold by the company which gives business of Rs. 80-90 lack per year.

In Rabi 2016, 187 farmers were provided a loan of Rs, 10,000 per farmer. This loan amount was utilised by the farmers to purchase agriculture inputs from the company at the reasonable rates. Earlier, farmers use to purchase these inputs at 6%-7% higher interest rates from the market.

Earlier, the farmers had to travel 25-30 kilometres to the market spending Rs. 250 per quintal as transportation charges to sell their produce at the local mandi. Most of the farmers use to avoid travelling that far and use to sell their produce to the local businessmen at low rates. But after the producer company came in to existence the farmers could sell their produce to the

company at higher rates. In 2016-17, the company purchased the wheat and cotton from the farmers at the premium of Rs. 250 - 300 per quintal. Total, 200 farmers were benefitted from this.

As a result of the success, 500 more farmers got themselves registered with the company. The company is currently working with 500 farmers on organic cotton farming this year.

Construction of a warehouse of 5000 MT capacity has been done with the support of SFAC. This helped in storage of the agriculture inputs and making them available to the farmers as and when required. The warehouse construction has also resulted in to reduction of the input storage cost amounting to Rs. 15,000 monthly. This has resulted in to lowering of the prices of the agriculture inputs. Now the inputs are sold to the farmers at further reasonable rates.

500 quintals of wheat has been stored in the warehouse for selling it at the time when prices are high. In 2016-17, company received the turnover of Rs. 132 lakh, out of which Rs. 1 lakh, 90,000 is the net profit of the company.

Company have been able to leverage their collective strength and bargaining power to access financial and non-financial inputs and services, technologies, reduce transaction costs, tap high value markets and enter into partnerships with private and public entities on more equitable terms.

