

The 'seed to market' initiative

A move towards a green economy

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Farmers when organized, guided and supported can chart their own development and progress. The organic farmers of Sirkazhi have proven this by following practices and processes that are environmentally sound, socially inclusive and economically profitable, moving towards a green economy.

Agriculture continues to be the main driver of economy in developing countries and therefore the intrinsic link between agricultural productivity and poverty cannot be ignored. The resource intensive fossil fuel dependent method of agriculture that is prevalent today, has inherent risks and directly impacts poverty. Research studies have shown that sustainable agriculture technologies can help reduce poverty and simultaneously provide useful and critical environmental services. The **'Seed to Market'** initiative of the Sirkazhi Organic Farmers Association (SOFA), supported by Centre for Indian Knowledge Systems (CIKS) is an illustration of how communities can be empowered to chart their own development and progress.

The Rio Earth Summit of 1992, put forward Agenda 21, which proposed an action plan for the next century and the countries that participated in the summit realized and agreed that sustainable development was the only way forward. Accordingly, the focus of development strategies shifted to resource conserving technologies that made efficient use of available natural resources. In addition, it also became necessary to ensure that the technologies and procedures adopted were socially inclusive and helped in poverty eradication. In short, it paved the way for a "Green Economy".

SOFA – Genesis and progress

The organic farmers in Sirkazhi in Tamil Nadu started off as a loosely knit, informal group that met often to discuss, review, share and learn about sustainable agricultural practices and technologies. By 2005, these farmers felt the need for an organized legal entity



Threshing in progress at Agani

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to help them scale up operations. In April 2005, SOFA was formally registered as a Society under the Tamil Nadu Societies Registration Act, 1975. This wholly farmer managed enterprise, plans and executes activities that foster growth and promote self reliance among farmers. Regular meetings and discussions among the members and office bearers of the association ensure that all decisions are made following a democratic process. The Society now has 42 permanent members in addition to women members from 8 SHGs and farmers from 13 Farmer's Clubs.

In the initial years, the Association focused on two critical areas – **capacity building of the farmers groups and technology transfer.** Farmers attended a series of training programs, exposure visits and farmer's field school sessions and brought small areas of their land under organic management. As their faith and confidence levels in organic agricultural methods increased, farmers were keen to bring more land under organic management. As with all expansion plans, the expansion phase required an infusion of funds.

Through interactions with CIKS and other farmer supporting institutions like the National Bank for Agriculture and Rural Development (NABARD), farmers became aware of the powers of collective bargaining. They therefore aligned themselves into Farmer's Clubs / Self Help Groups (SHGs) and availed the loan facilities that were meant for them. The funds were used for expansion of agricultural area under organic farming. The women's groups utilized the funds for creating community managed input manufacturing units that produced the inputs required for organic agriculture and output such as value added products.

As the area under organic farming increased, production levels improved as well, creating an opportunity and necessity for organized marketing of organic produce. The traditional and established local marketing avenues available at that time could not and did not have the infrastructure or capacity to meet the marketing needs of organic farmers. SOFA therefore, decided to foray into the organic marketing sector. They, very soon, realized that for successful marketing of their organic produce a certificate of guarantee from an accredited certification agency was necessary. Therefore in 2007, groups of farmers practicing organic agriculture registered for formal third party organic certification from IMO Control Private Ltd.

The registered farmers were all given extensive training on organic certification requirements and record keeping/documentation by CIKS. A few farmers were selected and trained to become internal inspectors to ensure quality control. Most farmers who registered for organic certification in the beginning, continue to be in the certification program, though there have been a few instances of farmers opting out of the organic program too. New farmers have

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also been joining the organic agriculture program and so SOFA now has organic farmers under different stages of conversion – certified organic, in-conversion year 1 and year 2.

With an infusion of funds through loans from CIKS and NABARD and a certificate of guarantee from IMO Control Pvt. Ltd - an accredited and industry respected certification agency, SOFA farmers ventured into all aspects of marketing – procurement, processing, value addition and sale of their organic produce. The initial marketing efforts of SOFA began with procurement and bulk sales of organic paddy to conventional buyers. Though this helped the organic farmers get a better price, it did not make business sense. Processing the paddy and selling it as rice ensured that both – the organic farmers and SOFA benefitted from the business activity. Since SOFA did not have (they still do not have) storage and processing facilities of their own, they entered into contractual agreements with storage and processing units in Tamil Nadu (strictly adhering to all the requirements of organic certification) to store and process the organic paddy. Over the years, the quantities procured have been steadily increasing and in 2010 SOFA has procured about 1,54,271 kg of paddy from its farmers. Since 2010 SOFA has also started procuring black gram, ground nut and bengal gram from their farmers. Fig 1 shows the growth in procurement over the years.

The procurement team of SOFA goes to each farmer to procure their produce, use accurate weights and measures and pay the farmer about 10-15% more than the prevailing market rates for the produce. This price incentive has brought in an additional Rs. 7,71,661/- into the households of the organic farming families in Sirkazhi through the 5 year period, thereby directly contributing to the livelihood security of the households. The season-wise details are given in Table 1.

Table 1: Monetary benefits to farmers from sale of organic produce to SOFA (2006-2010)

Season	Crop	No. of farmers benefitted	Additional benefit in Rs
2006 Samba	Paddy	9	18061.00
2007 Kuruvai	Paddy	3	3805.00
2007 Samba	Paddy	12	37912.00
2008 Kuruvai	Paddy	15	15156.00
2008 Samba	Paddy	18	60397.00
2009 Kuruvai	Paddy	14	59288.00
2009 Samba	Paddy	27	91804.00
2010 Kuruvai	Paddy	8	22256.00
2010 Samba	Paddy	109	350514.00
2010	Black gram	4	6336.00
2011	Black gram	26	77280.00
2011	Ground nut	3	7400.00
2011	Bengal gram	8	21450.00
	TOTAL	246	7,71,659.00



Members of SOFA and CIKS discussing issues on marketing

Major achievements

Realizing the potential for increased income from value addition, SOFA involved the women's groups associated with them, in the production of value added products. Through its marketing efforts SOFA has been able to create awareness among the local community about the benefits of organic farming and organic foods. Household incomes have improved and food and nutritional requirements of the families are being sufficiently met.

The women members of SOFA have stepped out of their traditional roles and are now contributing to household incomes. They are profitably managing three community managed input production units that produce vermicompost and about 5 different plant-extracts for soil fertility management and pest and disease control. The additional income from the sale of these products has not only improved household security but has also served a larger purpose of boosting the morale of women and igniting their interest to participate in community development programs. The women's groups are also involved in the production of the following value added products from organic rice – rice flour, rice flakes, rice papads, vadagams, puttu powder which are being marketed by SOFA. This value addition activity has created yet another alternative livelihood opportunity for rural women. SOFA, by supporting all the initiatives of the women's groups, has created an environment conducive for gender equality and empowerment of rural women.

SOFA members with the active support, guidance and mentoring provided by CIKS has been able to get more farmers involved in the organic agriculture program. The area under organic cultivation has increased from a mere 30 acres in the initial years to about 300 acres now. The shift to organic agriculture has reduced the risk of environment degradation, improved human well being and promoted the sustainable use and conservation of natural resources. The capacity building initiatives and transfer of technology programs of SOFA has created a core group of trainers from within the community who are confident of providing the necessary technical support to other farmers interested in shifting to organic agricultural practices. SOFA has invested time, money and effort into the setting up of community assets – a neem seed extraction unit, a mini rice mill, rotovator, organic input production facilities - which apart from enabling in-house production ensure timely availability of inputs and also created local employment opportunities.

SOFA farmers have overcome economic, market and human capacity barriers and have successfully established a vibrant, farmer managed, '*Organic Value Chain*'. In addition to having a regular customer base in Sirkazhi and adjoining Mayiladuthurai, they have also successfully managed to reach out to customers in Chennai, Coimbatore, Salem, Thanjavur and Tirunelveli. A unique and first of its kind achievement of SOFA is getting approval from both, the State Seed Certification Agency and IMO Control Private Ltd.

to produce and market labeled 'Organic Seeds' of Paddy under the brand name of Akshaya Seeds.

A procurement loan of Rs.29 lakhs has been extended to SOFA. In the year 2011, SOFA has obtained a total loan of Rs.11 lacs from NABARD for marketing of organic paddy seeds and grains. CIKS has provided a revolving fund of Rs.21 lakhs for marketing. SOFA has maintained an excellent credit history as they have repaid all loans within or before the stipulated time frame.

Future plans

SOFA has been growing at a steady pace over the years, their strategy of taking one step at a time, consolidating the efforts and progress achieved in that particular stage and then progressing to the next level of development has paved the way for their success. The excellent rapport that SOFA has developed with several agencies, organizations, the state agriculture department, banks, research institutions, other NGOs, farmers and the general public has played a significant role in fostering their growth. SOFA plans

to transform into a Producer Company with a unique brand identity and foresee themselves as a service provider for the organic industry. With support from well wishers, they hope to create infrastructural facilities like a storage godown, processing centre and drying yard within the region to improve the efficiency of their operations as well become cost effective. The SOFA initiative is surely an example of how communities can be supported to develop technologies and processes that are environmentally sound, socially inclusive and economically profitable – a move towards a *green economy*.

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Rural Ecological Infrastructure

India's National Rural Employment Guarantee Act 2005 (NREGA) is a guaranteed wage employment programme that enhances the livelihood security of marginalized households in rural areas. Implemented by the Ministry of Rural Development, NREGA directly touches the lives of the poor, promotes inclusive growth, and also contributes to the restoration and maintenance of ecological infrastructure.

In its first two-and-a-half years of operation, from 2006 to 2008, NREGA generated more than 3.5 billion days of work reaching on average 30 million families per year. The programme is implemented in all 615 rural districts of the country, with women representing roughly half the employed workforce. The emphasis is placed on labour-intensive work, prohibiting the use of contractors and machinery.

Investing in ecological infrastructure

In addition to supplementing wage employment, NREGA's secondary objective is to strengthen rural natural resource management. This is achieved by financing rural works that address causes of drought, deforestation and soil erosion, thus restoring the natural capital base on which rural livelihoods depend.

As one of the world's leading crop producers, India has seen a surge in water consumption in the agriculture sector over the years. With industrial water consumption expected to quadruple between 2000 and 2050 as well, groundwater aquifers in the four major river basins may be depleted by half by 2050. India is moving towards water scarcity due to increasing demand and a drop in supply of clean water as well, with forecasts of even a 50 per cent deficit by 2030. Increasing water scarcity is

a major constraint to agriculture and livestock production affecting livelihoods and food security.

Water conservation accounts for about half of the total projects supported under NREGA, with 850,000 water conservation works funded and completed from 2006 to 2008. For example, in the District of Jalaun (Uttar Pradesh), NREGA provided training and jobs for villagers to develop solutions to their heavily silted water harvesting infrastructure, alleviating their water shortage. In 2007-2008, more than 3,000 new soak pits, together with hand pumps were constructed. This has helped conserve an estimated 5 million litres of water. Similarly in Andhra Pradesh, NREGA supported the restoration of a network of water storage tanks dating back over 500 years in the principal arid zone. Repairs to the gates of the tanks, as well as works to desilt the channels feeding them, has restored to full capacity. This not only boosts crop and livestock production but has contributed to groundwater replenishment.

In its short history, NREGA has produced many such success stories across the country. In promoting to inclusive growth and the restoration of ecological infrastructure, the programme also has a strong impact on empowerment of poor or marginalized groups. It has contributed to boosting the average wage for agricultural labourers by more than 25 per cent over its three-year history.

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Source: UNEP, **Green Economy: Developing Countries Success Stories, 2010**