

Rayalaseema FPO Conclave 4th Feb 2023



APMAS

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The conference has started with a Kalajatha event. The Kalajatha team performed the event with songs which are related to farmers and FPO skit and its importance. Through songs, acting, duologue the team communicated the importance of farmer, FPO and other stakeholders in the ecosystem.

Welcome address:

Mr. Sridhar Reddy/ Mr.Vinayak Reddy made a welcome address to the dignitaries. All the dignitaries are welcomed as per the protocol (ministers, officials, stakeholders and other companies). The purpose and objective of the event is explained. The Agri-inputs and processing equipment are important to increase farmer's income. The discussion on how to strengthen the FPO Businesses and how FPOs face the overcoming problems were to be done in conference. There are schemes such as PMFME, AIF, RKVY, Subsidies (30%) and other Bank linkages for FPOs. Recently, Flipkart has initiated that it will get into a MoU with the Government. It is so fortunate that all the players (bankers, buyers, sellers, government, research institutes, NGOs, other players) are coming onto a common platform to work together for the betterment of the sector.

Experience sharing by FPO representatives:

Ms. Revathi (President, Bhumatha FPO) from Dharmavaram discussed about the successful operations in their FPO. She spoke about their natural farming promotion through cultivation of black rice & red rice, Raithu Angadi for farming equipment needs, CHC for hiring tractors or tankers etc. She has mentioned that their FPO has reached a turnover of 15 Lakhs through seed business.

Mr. Hari (CEO, Palamaneru FPO) has shared their journey since 2016 with 100 farmers. They work on Vegetables and Groundnut commodities. They also run a Primary Processing Centre. Yearly, their business turnover is 4 crores.

Ms. Hemalatha (Kalyanadurgam mandal FPO federation) has shared their story. Their federation is promoted by AF. There are 10 BoD members. The federation runs a secondary processing unit. Currently, they have marketing issue.

Mr. Ramana Reddy (CCD, Penukonda mandal) shared the success of their FPO. They have started in 2010 with 5 SHGs. Now, they have 285 GRSS (village level groups) with 26,380 members. They run a processing unit. They have savings of amount 2.5 Crores for investment in business. They do run a 25 crores of business with 2 crores (by rotating as working capital). They are doing Groundnut business well i.e. seed production & value addition, processing etc. They prepare organic manure. They requested to the minister for permission to provide license to sell their organic fertilizer in the state, so that they can expand their business and promote the bio-inputs usage in other places apart from their locality. They have also done MSP procurement in 2018, for which they need to get the commission of more than 3 crores. They did seed business when government has informed them regarding a subsidy, but not received yet. Hence, they need support from the concerned players.

Overview of FPOs in Andhra Pradesh:

Mr. CS Reddy (MD & CEO, APMAS) expressed the happiness. It is so happy that many players are showing interest to help out the farmers. Among 20,000 FPOs in the country, there are 1,000 FPOs in

Andhra Pradesh itself and 500 in Rayalaseema. The FPO movement is currently in a mission mode in the state. The purpose of the workshop is to have a peer learning among different stakeholders, to hear the voices of the communities and to know what is possible with the FPOs. A change from Farm to Fork is brought by FPOs to some extent, in which women have played important role leveraging the strength/experience from SHGs. We know that SHG movement has been very successful in the country, government has also recognized it. In the same way, there is a need for recognition/support from the government and other stakeholders in the ongoing FPO movement. There is a need of expediting licenses (seeds, fertilizers, pesticides). If local APMCs allocate or give a land on a lease to the FPOs, then there is a scope for business on procurement, storage etc. hence enabling. A support from the departments is needed if farmers have to do business.



Key constraints faced by FPOs:

Mr. Malla Reddy (Director, AFEC) told that there is a need for procurement facilities for matured FPOs and processing equipment. The cooperation is needed from the government. The importance of promoting natural farming is discussed. The seed production activity is being done by them for producing the quality seeds. Customer Hiring Centers are needed for sustainable production. Marketing committees should support the FPOs. The products such as ready to eat and ready to cook shall be more encouraged by the ministry and departments. The year 2023 is declared as the international year of millets. Ananthapur is the birth place of millets. The millets are introduced to the world as healthy food and also the production of millets consumes less water. All the FPOs are in a nascent stage. The responsibility lies with all of us (Government, Civil societies, companies, other stakeholders) to nurture the FPOs. We should work on how to reduce the cost of cultivation, enhancing the profit through value addition, establishment of marketing linkages through buyer-seller meets. He suggested developing a special package for Rayalaseema region i.e. forming an expert scientific committee to study the development package considering the local condition.

Special addresses:

Mr. Rajasekhar (Uravakonda) spoke about the poverty of the farmers and women groups. He discussed about the services of RBKs (seeds, fertilizers, pesticides). He also raised his concern on providing permission for seed production by FPOs.

Mr. Kapu Ramachandra (Government Whip) focused on telling the importance of Unity for the strength of farmers. He compared the FPO with the government in terms of democracy i.e. as Government is of the people, by the people & for the people, the FPO is also of the farmers, by the farmers and for the farmers. He has also mentioned about the promotion of Onion, Tomato and Chilly commodities because these commodities are needed in all households on daily basis. So, a focus is needed on value chain of these 3 commodities. He emphasized about the collective marketing, where FPOs play significant role and increase their bargaining power. Government will encourage Ananthapur as a food processing hub. The Millet FPOs shall be linked to ICDS, Hostels etc. The only major concern for farmers is enough income. So, they are ready to cultivate as per our demand if we provide the opportunity. The hybrid food that we eat today is not good for our health and it creates hormonal imbalances. The importance developing millets as staples for public health is discussed. Hence, everyone should strive towards millets for a healthy food.

Ms. Nagalakshmi (District Collector, Ananthapur) spoke about the importance of promoting micro irrigation as it is a horticulture hub. Either all women or more women FPOs are promoted enough, now we need to take them forward by providing infrastructure facilities in a convergent manner. MGNREGA scheme also will focus horticulture plantations. She has discussed about a successful FPO Sahayadri in Maharashtra having business turnover of Rs.500 crores. We hope to see FPOs in Rayalaseema also to reach that level. Collection Centers, Cold Rooms, Storage facilities etc. will be provided in convergence mode, for making FPOs profitable through these businesses. The establishment of Groundnut processing units is in progress.

Mr. Giridhar (Flipkart, South India Head) has spoken about leveraging of their e-commerce platform for Agri-business marketing. Walmart and Flipkart have started work in Rayalaseema belt as it is close to their operations in Karnataka to create an ecosystem for Agri-business.

Mr. Chiranjivi Chowdary IFS (Principal Secretary) reminded that farmers do not have working capital, storage facilities and marketing infrastructure. AP is in top position in terms of SHGs Savings. The savings groups need business entrepreneurship models to build upon. We will come up with a policy framework to address the challenges of FPOs day-to-day functioning, which can be prepared altogether and review every six months. He raised the issues of storage facilities, working capital and infrastructure. He discussed how we can integrate the forward and backward linkages to the farmers through FPOs and Market. He is overwhelmed and appreciated the success of women SHGs. There is a need of support from all corners to take the FPOs also at par with SHGs' access. Also discussed about how to run FPOs systematically with good governance. Being a drought prone area, Ananthapur has been growing millets as the water consumption for these crops is minimal. He emphasized importance of millet food as it is fiber rich and stomach full. He recommended few marketing models with examples like Patanjali, ITC etc. can be adopted by FPOs, such that the FPOs can earn profit through margins and grow. The realization of FPO needs has gradually increased over time due to the awareness programs. Hence, understanding on agri-infrastructure is more important than thinking of finance, for FPOs. He envisioned the growth of FPO over a time to develop as a business entity by spotting few examples of federations like M-Tomato.



Smt. Ushasri Charan, Hon'ble Minister of Women, Differently abled & Senior Citizens Welfare, has praised the ongoing FPO movement led by women by mentioning few FPOs in Ananthapur i.e. Anantha and Bhumata FPOs. Being a professional in Agriculture and also having an agriculture family background, she is very keen in promoting FPOs. Staple foods like rice, wheat etc. are available at every household level. But there is a need for scaling up the millets consumption. Government provides support in promoting Bio-Inputs or any kind of inputs for better price through RBKs.

Address by the Chief Guest:

Hon'ble Minister Shri Kakani Govardhan Reddy, Agriculture & Cooperation, Marketing, Food Processing. The Hon'ble Minister thanked APMAS CEO Mr.CS Reddy and AFEC Director Mr.Malla Reddy for organizing such a grand conclave at a regional level with farmers. He also thanked all the farmers came around all the way and participated in the program. He assured that the RBKs will be integrated with FPOs. By emphasizing the importance of the natural farming and the current Government's initiative on it, he mentioned the successful linkage of 13 different organic farmer groups with TTD. Today, the stakeholder working with FPOs will keep on changing from time to time, but the FPOs stay forever. Hence, need to ensure sustainability of FPOs for long run. He has explained the journey of PACs. The policy level interventions will be worked on integrating RBKs and FPOs. He has also discussed on the diversification of products in FPOs. The linkages are possible if FPOs get enough capacity to provide their products with a consistency. The FPO should bridge the gap between the demand and supply in the market. This can be done through development projects working on value addition. He assured to make a separate consultation with APMAS and AFEC to come up with a policy framework for RBK and FPO convergence on how both these institutions will serve the needs of the farmers. This helps in providing MSP to the farmers. The permissions will be given to FPOs for utilizing APMCs' infrastructure either through rent or lease. There is a scope to explore how we can link FPOs with ICDS, hostels etc. as it bring in a win-win situation i.e. the adequate supply based on demand and farmers' income security.



Mr. Raghunadhan Reddy (DHO) has given a vote of thanks.

After lunch at 2 PM, again the Kalajatra team has played songs and skit on gender and health consciousness. Mr. Madhu Murthy (ED, APMAS) has invited all the dignitaries onto the stage.



The FPO and Federation representatives (CEO or President or BoD) have spoken about their experience. The FPOs are diverse i.e. new, nascent stage and matured, their members ranging from 500 to 2000. The representatives (*Annexure-1*) from different mandals have briefed about their journeys. Most of the FPOs focused on explaining about their business activities. A crores of business turnover is reached in these FPOs. They have talked about their operations such as Collection Centre, Primary and Secondary processing centers, MSP procurement centers, processing units, value addition activities etc. They have talked about the issues such as output marketing, inadequate support from Government, pending payments from the commissions (MSP procurement), subsidies (Agri-Inputs) etc.

Other stakeholders (*Annexure-2*) shared their experience working with FPOs. Voluntarily, many professionals have come forward to enable the FPO movement. Few suppliers have mentioned about their offers to FPOs in dealership. Few players have assured that they help in guiding for technicalities. Some buyers have shared their experience on trading and quality parameters.

Annexures

Annexure-1

#	Name	Institution
1	Mr. Narasimha Reddy	
2	Ms. Malleswari	Nandikotkur
3	Mr. Srinivasa Reddy	Patthikonda
4	Ms. Vannuramma	Kalyanadurgam
5	President	M-Tomato
6	Ms. Subhashini	Kurabalakota
7	Mr. Ramalinga Reddy	Kotanki
8	Director	Dharani

Annexure-2

#	Name	Institution
1	Mr. Chandra Sekhar	DHO
2	Dr. Peddaswamy	BDM, APEDA
3	Mr. Dinesh	Earth 360
4	Mr. Bhaskar Reddy	Coromandal
5	Ms. Bhanuja	REDS