

Director's Message



Nestham, an Micro level organization, operating in Krishna and Guntur Districts always in pursuit of agriculture and allied agriculture for sustainable growth among the rural farming communities , is associated with NABARD, ATMA and Agriculture Allied Departments has been doing yeo men services for the rural farmers.

Over a period of time, it strived to enhance the farmers produce at the same time helped improve lifestyles of the farming community. Spreading awareness and enlightening the farmers to also grow cash crops, hasset in a tremendous growth. It not only enhanced farming output but also assisted in marketing linkages to the farmers in an innovative holistic approach, resulting in overall growth of the farming community.

Suresh Vesam
Director



FARMER'S CLUB

The Nestham Organisation Promoted 125 farmers clubs in Krishna Guntur Districts of Andhra Pradesh among the small and marginal , tanat farmers for the enhancement of the production and esablish marketing linkages and Provide credit support through the banks , in this regards the NGO organised Base line Orientaion and Training program to 125 farmers clubs and formed 10 newly farmed clubs and also conducted Meet With Expert programs to the farmers with the scientist from the KVK and Agriculture Research Stations and Department of agriculture and allied sectors. The NGO mainly focused on the primary commodities which are producing in the regions. The NGO motivated farmers for the collective marketing.

The farmers club members were adopted new technology for the production improvement and raised the income levels .





Leadership Development Program

The Nestham organized One day leadership development program to the chief functionaries of farmers Clubs in Machilipatnam, Vijayawada Rural, G.Kondur manuals with main focused objective was to enhance leadership skills among the farmers for the agriculture and rural development . Mr.Dhamodhar Ganpathi Rao , Soft Skill Trainer Lecture on the importance of the leadership for the rural development and he taught tips for the development of the leadership qualities . The Speaker asked the farmers to take more responsibility for the collective effort for the rural development.

Mr.N.Madhu Murthy, AGM(DD)Nabard, Krishna District interacted with the farmers leaders and asked them to become more responsible for the collective effort for the

sustainable growth among the farmers.

Dr.Jaybal, Assistant Professor advised to the farmers on the animal health and dairy management of r the sustainable income to the farmers.

Dr. Srilatha, Extension Scientist, KVK, Gantasala motivated farmers to adopt new technology for the production improvement and get good yields.

The Mandal Agriculture officer, Mandal Horticulture officer participated and gave information on the government Schemes.

The Director of the Nestham focused on the collective marketing.



MEDP - Micro Entrepreneurship Development Program

The NGO gave training to the Mature SHG members in micro entrepreneurship development program in Fashion technology and advanced Tailoring in Chakapalli, Musunur mandal ,spices value addition in Cherukumapalam, Fish processing training in Satharavpalam , Immitation Jewellery in Mallavolu , Gudur madani, Krishna District. The SHG members were learned and enhanced skills . The Nestham provided credit linkages to the Banks for establishment of the units.

Promotions of Farmers Producer Organization

The Nestham Promoted the following farmers Producers organizations among the small and marginal farmers for the strengthening of the farmers organization for the collective marketing and maximize the profits to all the Farmers. The FPOs were Promoted in



S.No	Name of the FPO	Place	Commodity
1	Sri Vigneswara Farmers Producers Organisation	Chagantipadu	Banana
2	Sri Veeranjanya Farmers Producers Organisation	Pulluru	Jamine
3	Bajibaba Farmers Producers Organisation	Cherukumapalam	Chillies
4	Surya Sai Farmers Producers Organisation	Chakapalli	Banana
5	China Ogirala Farmers Producers Organisation	China Ogirala	Vegetables
6	N.G. Ranga Farmers Producers Organisation	G. Kondur	Vegetables
7	Sri Sambhasiva Farmer's Producers Organisation	Chandragudem	Jasmine
8	Kodur Farmers Producers Organisation	Kodur	Mango



Farmers Producer Organisations (FPO) in Krishna district

BACKGROUND

Government of India has announced setting up of "Producers Organization Development and Upliftment Corpus (PRODUCE) Fund of ₹200 crore in NABARD to be utilized for the building and promotion of 2000 Farmer Producer Organizations (FPOs) in two years. This initiative will address the initial requirements of the emerging FPOs which, in turn, will provide new business opportunities for financing institutions, to support them with credit.

SANCTIONS IN KRISHNA DISTRICT DURING 2014-15:

NABARD sanctioned ten FPOs in Krishna district during 2014-15 to two POPIs viz., "NESTHAM" and "SNEHA" @ five FPOs each vide letter no NB/PRODUCE-FPO-NESTHAM & SNEHA/8364 & 6548/2014-15 dates 24.2.2015 & 27.02.2015. Both the NGOs ie., "NESTHAM" and "SNEHA" have submitted acceptance of the terms and conditions of the sanction letter and executed MOU with NABARD.

BASELINE SURVEY

The NGOs commenced their activities/interventions for promotion of the FPOs by first conducting the baseline survey in the ten identifies clusters. The activities involved in the formation and nurturing of FPOs have been discussed during a series of meetings organized by the NGOs at different places in the identifies clusters. The agency also mobilised members for the FPO and taken efforts to build their knowledge and capacity to understand and shoulder the responsibilities of the FPO.

REGISTRATION

The agency has first finalized the list of willing farmers who have shown interest to become a



member of the FPO. Thereafter the agency facilitated the FPOs to select board members from among its members. The agency collected all the required documents like - pan card, aadhar card, title deeds, photographs and other details which were submitted to M/s C&A Associates, Guntur for initiating the registration process. The agencies have been able to complete the entire registration process for all the ten FPOs sanctioned by NABARD in Krishna.

AGGREGATION ACTIVITIES /BUSINESS PLANS AND LINKAGES

The NGO discussed the scope for aggregation activities in the meetings arranged by it and finalized the input / technology / marketing linkages for each FPO.



MIS / COMPUTERISATION OF MARKET / BUSINESS ACTIVITIES

A common software has been developed to digitize the FPO members data and to computerize the business / market transactions of all the FPOs in Krishna district. The NGO has entrusted the work to a software company.

Once the software is tested and proved to be working, it will be installed in the computer systems of all FPOs and a member in each of FPO will be trained to handle the software.

Many of such interventions are being implemented by the FPOs which are in different stages. While implementing these interventions, the FPOs have drawn short term and long term micro plans by involving all the stakeholders which will ultimately become the Strategic Action Plan for the FPO.

A brief account of the progress made by the POPIs i.e., NGO-NESTHAM and NGO-SNEHA in the implementation of the FPO programme in Krishna district is furnished below:

FARMERS PRODUCER ORGANISATIONS PROMOTED BY THE NGO-NESTHAM

1. Sri Vigneswara Farmers Producers Company Ltd, Chagantipadu

Sri Vigneswara Farmers Producer Company Ltd., Chagantipadu is promoted for the banana produce and increasing the productivity.

Registration of the FPO

Sri Vigneswara FPO was registered under Companies act 2013 by the Registrar of Companies, Ministry of Corporate Affairs, GOI on 30.06.2015. Its head quarters is located at Chagantipadu, Thotalavalluru Mandal, Krishna District, Andhra Pradesh. The CIN of the Company is U01403AP2015PIC096896. The FPC consists of 11 board of directors and 250 banana farmers as members. Mr. K. K. Chandra Mohan Reddy is the chairman of the company.

Aggregation activities / Business plans and Linkages

The NGO implemented the following aggregation activities for the Sri Vigneswara Farmets Producers Company Ltd.

Marketing value chain

The FPO has established sound marketing network with the local traders and auctioning banana produce twice in a week (Monday & Thursday). The FPO did business during the three months is as follow.

S. No	Month	Total Banana Bunches Auctiones	Volume of Business (₹)	Market Commission Collected
1	April 2015	50,000	9,41,700.00	56,502.00
2	May 2015	24,000	5,38,300.00	32,302.00
3	June 2015	20,000	4,48,100.00	26,890.00
4	August 2015	26,000	4,55,000.00	29,000.00

Established Market Linkages for Banana G9 varitey

The Director, Nestham and chief promoter of the FPO, Mr. Ch. Venkateswara Rao, established linkage with the banana ripping chambers in Andhra and Telangana regions at Kodada, Miryalagudem, Jaggayapeta, Suryapeta, Warangal, Guntur, Khammam and Nakarikallu.

Export of Banana G9 variety to Middle East countries

The NGO is in contact with the Desai Fruits and Vegerables pvt Ltd., a Gujarat based company at Navasarai for a possible export of the banana (G9 variety) produced by the FPO members to Middle East. G9 variety of banana is cultivated in around 2500 acres in Krishna district. The agency has been invited to make a presentation of the proposal in Pune by the company officials on 16.07.2015. The agency had already visited Navasarai, Gujarat along with a group of banana farmers. The Desai Fruits and Vegetables pvt lmt is a sister company of Deepaket fertilisers pvt limited, Pune, Maharastra. The Desai Fruits and Vegetables pvt Ltd has established three banana production cum market clusters one of which is at Navasarai near Surat in Gujarat. The company enters into a market agreement with a group of farmers. As per the market agreement the company takes over management of a banana plantation after the fruit setting stage. The company technical wing manages the production of banana bunches with appropriate package of practices to produce exportable produce matching the specifications of the importer party. The company mainly exports to Middle East countries. The farmer is paid market price by deducting the administrative and logistics cost.

3. Kodur Farmers Producers Company Ltd, Kodur, G. Kondur Mandal

Kodur farmers Producers Company Ltd., was registered under Companies act 2013 by the Registrar of Companies, Ministry of Corporate Affairs, GOI on 20.06.2015. Its head quarters is located at Kodur, G. Konduru Mandal, Krishna District, Andhra Pradesh. The CIN of the company is **No. U01403AP2015PTC096866**. The FPC consists of 11 board

of directors and **250 mango farmers** as members. Mr. Vijaya Kumar is the is the Managing Director of the company.

Aggregation activities / Business plans and Linkages



Farmer to Sonsumer - Direct marketing to consumers - Mango fruit street Vending inaugurated by Sri. Devinani. Umamaheswara Rao, Hon'ble minister for Irrigation, GoAP.



Hon' Irrigation Minister Sri Devineni Umamaheswararao at Mango retail outlets 01.05.2015.

The NGO had set up mango fruit retail shops for direct marketing by the FPO members at different places in Krishna District which fetched maximum profits to them during the mango season. **Sri. Devinani. Umamaheswara Rao, Honorable minister for Irrigation, Govt of Andhra Pradesh** inaugurated the stall at Gollapudi in Vijayawada along with the DDM, NABARD, LDM, Krishna, AD.

Horticulture and other dignitaries.

Convergence from Horticulture department

Mango farmers are facing problems in ripening of fruits. They used to resort to the unhealthy practice of using the Sodium carbide for ripening of mango fruits which is banned by the A.P Government. The Horticulture dept came forward in identifying the ripening chambers for the farmers nearer to their production centres and meeting the 50% of the cost of ripening. This is found to be very much beneficial to the mango farmers.

4. Chinaogirala Farmers producer Company Ltd.

Chinaogirala Farmers Producers Company Ltd., was registered under Companies act 2013 by the Registrar of Companies, Ministry of Corporate Affairs, Gol on 22.06.2015. Its head quarters is located at Chinaogirala, Vuyyuru Mandal, Krishna District, Andhra Pradesh. The CIN of the Company is **No. U01403AP2015PIC096865.** The FPC consists of 11 board of directors and 250 vegetables farmers as members. Mr. D. Sivaji is the MD.

Aggregation activities / Business plans and Linkages

The FPO have established a market yard to auction the vegetables grown by its members. The undersigned inaugurated the market yard established by the FPO on 24.08.2015 at Chinaogirala village. The FPO has also established an administrative office cum retail center for supply of agriculture inputs to the farmers at Chinaogirala.

Convergence with Horticulture department

The NGO has established liaison with Horticulture dept to arrange for a transport vehicle on 50% subsidy for retail marketing of vegetables by the FPO members.

రైతులు సమాఖ్యగా ఏర్పడాలి

ఉయ్యూరు: రైతులు సమాఖ్యగా ఏర్పడి పండించిన పంటలకు మధ్య వర్షాలు, దళారులు లేకుండా మార్కెట్లో విక్రయించుకుని వ్యవసాయం లాభసాటి చేసుకోవాలని నాబార్డు ఏజిఎం మధుమూర్తి అన్నారు. చిన ఓగిరాలలో ఏర్పాటు చేసిన వ్యవసాయ ఉత్పత్తిదారుల సమాఖ్య కార్యక్రమాల కొనుగోలు కేంద్రంను సోమవారం ఆయన ప్రారంభించారు. ఈ సందర్భంగా జరిగిన సమావేశంలో ఆయన మాట్లాడారు. రైతులంతా జేఏటీలుగా ఏర్పడితే బ్యాంకుల నుంచి తేలికగా రుణాలు పొందవచ్చని, పండించిన పంటలకు సరైన గిట్టుబాటు దర రాబట్టుకోవచ్చన్నారు. ఉద్యానవన శాఖ అసిస్టెంట్ డైరెక్టర్ ఎస్. సుజాత, మంటశాల కృషి విజ్ఞాన కేంద్రం ప్రధాన శాస్త్రవేత్త సత్యనారాయణ ప్రసంగించారు. నాబార్డు చానల్ అధికారి సురేష్, దోనేపూడి శివాజీ తదితరులు పాల్గొన్నారు.



వ్యవసాయ ఉత్పత్తిదారుల సమాఖ్య కార్యక్రమాల ప్రారంభిస్తున్న నాబార్డు ఏజిఎం మధుమూర్తి

AGM, NABARD, AD, Horticulture and Director, KVK inaugurating the Market yard and overseeing the vegetable auctions by the FPO members on 24.08.2015.



5. Bajibaba Farmers Producers Company Limited Cherukumapalam, Nandigama

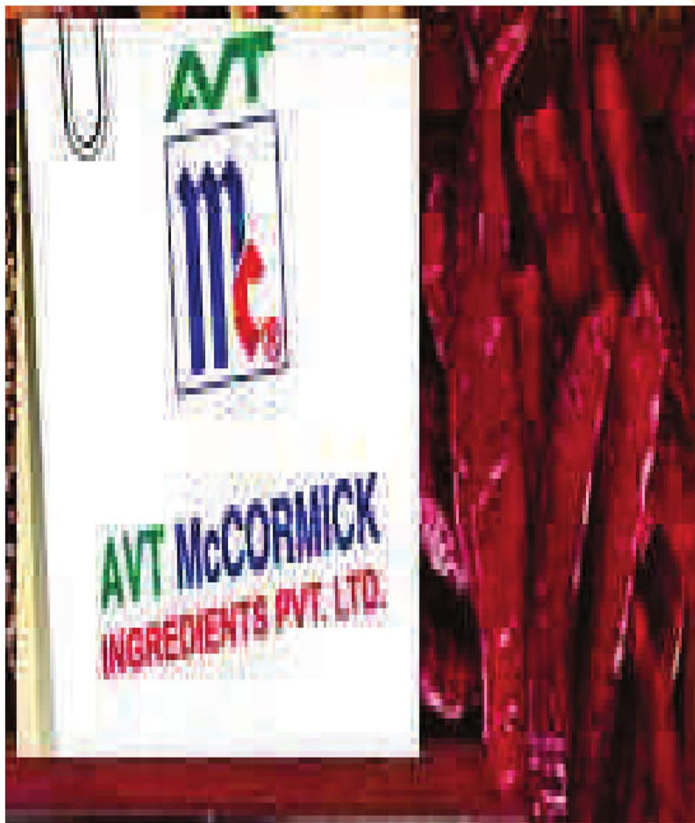
Bajibaba Farmers Producers Company Ltd., was registered under Companies act 2013 by the Registrar of Companies, Ministry of Corporate Affairs, Gol on 14.11.2014. Its head quarters is located at Cheruvukommupalem, Nandigama Mandal, Krishna District, Andhra Pradesh. The CIN of the Company is **No. U01403AP2014PTC095641.** The FPC consists of 11 board of directors and 250 chilli farmers as members. Mr. Subbarao is the Managing Director of the company.



Bajibaba FPO Meeting on 03.07.2015

Aggregation activities / Business plans and Linkages

The agency has entered into MOU with **AVT Mc Cormick Ingredients Pvt Ltd, Alwaye, Kerala** for technology adoption for producing exportable chilli produce and marketing tie up with the company. As per the agreement executed, the AVT company agreed to purchase 200 MT of chillies produce with a condition of adoption of the company recommended Good Agricultural Practices (GAP). The GAP developed by the company is tested for its results in yielding a **residue free exportable chilly produce**.



The roles and responsibilities of different players in this tie up has been clearly worked out. The company takes the responsibility of supplier of technology, seed material and assured pricing mechanism for the contracted 200 MT of Chillies produce. The NGO-NESTHAM takes the responsibility of technology dissemination through its network of technical coordinators and arranging logistics for the chilli produce. The marketing tie up envisages production of export quality chilli produce by the farmers and its assured buy-back by the AVT Mc Cormick company at higher than the ruling market price. The FPO members, company officials and NGO had several rounds of discussions at the Company office at Alwaye, Kerala and also in Nandigama and finally MOU has been entered. The NGO-NESTHAM is in active consultations with many Resource organizations like Spices Board, Mahindra, E-Fresh etc for a possible convergence further up scaling the activities for strengthening of all the five farmers Produce Organizations promoted by them under PRODUCE.

Procedure

The AVT Company has a tie up with Mc Cormick which is a reputed European spices company dealing with importing the produce, processing and value addition. It caters to the entire European market. The company employs a technical assistant for every cluster. The technical assistant job is to examine the crop periodically and suggest suitable measures in the management practices. The NGO-NESTHAM job is to mobilise the farmers train them and motivate them to follow the GAP in cultivation of chillies. The NGO also liaise with the company in all matters relating to the market tie up. At the time of harvest the company take a sample of the chilly produce and test the produce in the labs at Hyderabad. If it meets the export specifications then the company lifts the entire produce of the farmers at their own cost from the farmers fields. They will pay market price prevailing at that time plus 30% extra.



UPNRM Programme brings cheers to the JASMINE Farmers - A Success Story

Background

Jasmine crop is cultivated in about 1000 acres in Krishna District mostly concentrated in Mylavaram mandal. Daily around 3 tonnes of flowers are produced by the farmers of this area. During the interactions in the Farmers clubs meetings it was revealed that the Jasmine farmers were being exploited by traders as they did not get the best price. A need was, therefore, felt to organize them into a commodity group and undertake direct marketing of flowers through wholesale markets. It was also felt necessary to transfer appropriate production technology to reduce the costs and increase the yield. Hence, the present project was sanctioned by NABARD under UPNRM to provide end to end solutions in production technology and marketing to the problems of Jasmine farmers who are mostly small, marginal and tenant farmers in Mylavaram area and strength their livelihoods. The project was sanctioned by NABARD during June 2012.



Objective

The objective of the on-going project is to integrate all the Jasmine growing farmers into a single commodity group and to provide them direct access to consumer markets by eliminating middlemen. The project also aims at promoting precision farming in Jasmine cultivation for conserving natural resources.

Project Beneficiaries

About 120 jasmine farmers in Pulluru and surrounding villages have joined together and formed a commodity group called Sri Veeranjanya Farmers Mutually Aided Marketing Cooperative Society in July 2012, facilitated by NGO-NESTHAM and financial support from NABARD under the UPNRM.

Name and brief details of facilitator

The project is being implemented by the NGO, NESTHAM Rural and Urban Development Organization. The project office of NESTHAM is located in Vijayawada, Krishna district. The project is being implemented under the leadership and guidance of Sri. V.Suresh, Secretary and the Project Director of the organization, along with trained experienced staff in various development fields. The agency is implementing various projects with financial support from Government and NABARD.

Pre-project status

Jasmine is cultivated by about 600 farmers in 22 villages in Mylavaram mandal of Krishna district. Farmers were unorganized and there was no cooperation among the farmers for production and marketing of the Jasmine flowers. The production of Jasmine flowers was about 12 tons per day. There were no organized marketing arrangements for collection and weighing of the flowers. Farmers in the area suffered heavy losses due to non realization of value for their produce, as they were totally

dependent on the traders for marketing. There was non transparent price discovery mechanism to know the rate of the flowers on a daily basis. Flowering of Jasmine happens from February to August / September. On an average farmers got Rs. 30 to Rs.50 per kg while the rate at wholesale markets ranged from Rs. 75/- to Rs. 300/- per kg. The cost of plucking of flowers was Rs. 30 per kg and most of the farmers were not even getting plucking cost. Because of this, many jasmine farmers had removed Jasmine plantations and shifted to annual crops.

Methodology adopted in the project

With assistance from UPNRM, the NGO-NESTHAM organised all the jasmine growing farmers into a commodity group viz., "Veeranjaneya Farmers Mutually Aided Cooperative Marketing Society" and registered them under MACS Act in July 2012. The NGO undertook an extensive market survey to explore the potential jasmine markets. The society members were provided training to manage the direct marketing of flowers to Gudimalkapur flower market in Hyderabad. They were trained and taken for exposure visits to Coimbatore and Satyamangalam in Tamilnadu to understand the jasmine marketing systems existing in that area.

The NGO developed market infrastructure like shed and platform, weighing machines, water facilities for pre cooling of flowers, packing and transport vehicles with loan assistance under UPNRM. Two vehicles were purchased for transportation of jasmine flowers to Gudimalkapur market, Hyderabad. The transport arrangement is vital for the project as the Jasmine flowers have to reach the markets in time bound manner.

The harvesting of flowers commences at 0600 AM and the farmers reach the market with the produce, 0900AM onwards. At the market yard, the flowers are weighed, recorded, packed, pre cooled and transported in two batches in two vehicles. One vehicle starts at 1000 AM and another vehicle at 1200 noon to reach their market destinations. Each farmer maintains a pass book where the

day to day transactions are recorded by the Society. The farmers' produce are also identified with a tag tied to the bags at the time of packing the flowers. The Society management committee gets the information on the rate quoted by the buyers on that date and the sale proceeds are passed on to the farmer next day after deducting the market expenses and user charges. The entire market mechanism is controlled and managed in a transparent manner by the management committee of Veeranjaneya Cooperative Marketing Society.

The NGO has also collaborated with the department of the Floriculture, Tamilnadu Agriculture university and the local horticultural scientists for transfer technology on precision farming to the farmers. The NGO has also appointed a person for marketing opportunities. He acts as a marketing communication channel between the marketing personnel and the farmers.

Post-project outcome

As per the financial report for the year 2013 of Veeranjaneya Farmer's Cooperative Marketing Society, the market yard transacted a total business of 1,34,867 kg of flower which were transported to the Gudimalkapur market at Hyderabad by around 120 farmers. The market expenses consisted of vehicle rent @Rs.6500.- per day, Diesel @Rs.3500 per day, toll tax Rs. 500/-, driver salary Rs.500/- per day, bags and covers @Rs.1/- per kg, repayment of principal and interest @Rs.2000 per day. The total value of the export after deducting the market expenses @ Rs. 6.37 per kg was Rs.1,02,85,069/-. The month wise average realization at the farmer level after deducting the marketing expenses ranged from Rs.53/- per kg to Rs.95/- per kg depending on demand. The weighted average realization at the farmer level after deducting the market expenses for the season as a whole came to Rs.76/- per kg. The average realization for the farmer before the project was not even Rs.50/-. Thus, the net incremental income at the farmer level in the project area amount to Rs.26,96,140/- after deducting all expenses. This worked out to Rs.5000/- increase in the income of individual

farmers, in the first year itself after commencement of the project. The Society members feel that the business would double as they gain experience. Farmers have also started slowly adopting the improved farm technology and drip irrigation.

Critical determinants for success of the endeavor

The NGO had done lot of ground work on the project in social engineering and successfully made use of the NABAR support to programme, Capacity building for adoption of Technology (CAT) visits for capacity building and had developed excellent rapport with the farmers. NGO has done enormous work in social networking, training, capacity building and creating awareness on the market potential for Jasmine. The success of the endeavor is also because of the integrity and honest approach of Sri Sambireddy, President of the Veeranjaneya Cooperative Marketing Society and strong commitment of jasmine growers and their active participation in the project implementation.

Direct marketing of jasmine flowers has taken off successfully and is being efficiently managed by the Veeranjaneya Cooperative Marketing Society at Mylavaram in Krishna district. However, at the production end, there is still gap in the adoption of scientific cultivation practices by the farmers. Hence, there is a need to develop model plots in every village to demonstrate to the farmers the advantages of adopting appropriate farming technology in jasmine cultivation.

Implementation of Precession Farming

The NGO implemented precession farming through converegny with Andhra Pradesh Micro irrigation Project in 25 acres for promotion of conservation of water and high production with the quality . The Jasmine farmers are getting significant quality flowers and production and Productivity also improved due to this intervention .

Inter Action With the Women Entrepreneurs and Professors from ANAND , Gujrath.

The Identified Women Entrepreneurs were interacted with Prof.M.Vekata Durga Prasad and Prof. Paresh on the marketing Potentialities and marketing linkages , The Professors advised to the entrepreneurs to start retails stall for the maximum profits and asked them to take establish micro units for the sustainable income .

Conducting Survey on Public distribution System

The NGO had taken up survey on Public Distribution system in Krishna District with the Sashavi Projects Consultants, Bhopal with support of MICROSAVE, New Delhi, The NGO gave ground level support for enumerating the survey.

Agri Business lecture in IRMA, ANAND, Gujrath

The Institute of Rural Management Anand , Gujrath invited the Director , Nestham to gave a guest Lecturer on agri business through farmers Produces organization and its success stories.

Inter State NGO's Exposure Visit to Nestham by BIRD , Mangalore.

A Group of chief functionaries of the different NGO's from Andhra Pradesh , Telagana, attended for the training cum exposure visit by BIRD, Mangalore on Farmers Producers Organization in Vijayawada. The delegates were visited Sri Vigneswarara Farmers Producers Organization where most of the farmers are cultivating jasmine and doing collective marketing since 2011 onwards and observed the business operations and organization structure and also they had observed Banana collection center and auction procedure and its methodology for the financial transactions which is operated at the Sri Vigneswara farmers Producers Organizations.





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