

PPI Funded Go to Market Model – MLDMHI Farmer Group Project End Report – February 2019 - January 2021

Backdrop

This project was formulated to support MLDMHI tribal farmer group practicing sustainable farming due to a drastic change in market context. Earlier all the organic produce was picked up by an assured buyer or set of buyers. Emerging situation was one where farmers had to search for multiple market avenues for their organic produce outside their local area. Tribal farmers are not naturally good at marketing or interacting with customers, nor did they have adequate bandwidth to locate market avenues in Mumbai. Hence critical need was faced to induct a marketing manager who would serve as an interface between farmer group and customers to begin with and search for markets where the produce could be directly sold to customers. The PPI funding enabled induction of such a professional fortunately from the start of the project itself.

Other enabling factors were the active involvement of MOFCA (Mumbai organic farmers and consumers association) and particularly Venkat Iyer, a Dahanu based organic farmer who through his networking provided not just access to markets but helped in organizing and monitoring of the activity too. Through his network MLDMHI got a vehicle for transportation of vegetables donated by Green Earth Logistics from their CSR funds. Thus, began the journey of the farmers to Mumbai markets.

Achievement on Marketing Front – Year 1

In 2018 -19 rabi for the first time, farmers went to market and sold their vegetables. Started with a couple of farmers initially but by the end of the season almost 15 - 18 farmers went to the Mumbai markets, got trained to sell their vegetables, could speak to customers, explain the process of organic farming, benefits of seasonal- local-organic (SLO) farm produce. Some of the farmers sons too got involved in the sale activity. Coming face to face with consumers, understanding their expectations, sharing difficulties involved in organic cultivation were vital for orienting farmers to the Go to market model. Also, this exposure to farmers is giving them motivation to do better. The marketing manager played a vital role in on site coaching and farmer training.

Consumers too benefitted through interacting with those who produce their food, benefits of SLO and its positive effect on health. Consumers liked the taste of fresh vegetables especially the greens, could differentiate between taste of conventional and organic produce and looked forward to the arrival of the tempo on the appointed day. Gradually “Vikramgad Bhopoli SLO food” identity is being created.

Gradually marketing model was evolving which was a mix of farmers participating in direct sales to customers in school/ residential housing societies, buyers directly picking up from Bhopoli and servicing Mumbai based buyers unable to collect from Bhopoli through supply at Mumbai when farmers go for their direct sales. This multi - channel model was helpful in optimizing transport costs, keeping unsold stocks to minimum and maximizing per kg rate realized by

farmers. The model no doubt poses a challenge to allocate available produce to each of these channel partners keeping all of them reasonably satisfied. The MLDT team did a commendable job of allocation of produce to different farms as well as channel partners.

Achievement on Marketing Front – Year 2

The various market channels explored from January – March 2020 were:

- We continued from previous year to the School at Mumbai where consumers were the parents who dropped and picked up their children
- Three large residential complexes at the outskirts of Mumbai and Thane.
- Two buyers continued from previous year and four joined this year who picked up our produce at Bhopoli.
- Added two new buyers who used to pick up small quantities from our tempo on the way to market and are working with direct home delivery to consumers.
- Introduced alternate transport facility for those who could not pick up from Bhopoli

The onslaught of Covid 19 put considerable stress on marketing activity since direct marketing to Mumbai markets became infeasible. Farmers had cultivated in good quantity in anticipation of expanding sale prospects. In fact, in the last visit in March just before lockdown got imposed a section of the customers of one large residential complex got reactive towards the farmer and our team. Our team faced challenges from the villages too who put up barriers preventing entry of any outsiders to the village even if for collection of vegetables which as essential services was excluded from lockdown restrictions. They were also wary of tempo coming to village. The vegetable collection had to be done skillfully and taking all necessary precautions to ensure that vendor needs were met and maximise collection at farmer end. On an average around 30 - 35% of the produce could not get marketed because only 2/3 vendors were active. This produce though was not wasted but came handy to serve village needs of vegetables as villagers had no access to market. Farmers could not get commensurate price, but they were happy to cater to village needs. This thinking on their part is commendable.

One major challenge faced during this period was our marketing manager (recruited with PPI fund) who would have continued up to January 2021 (when PPI project concluded) requested to be relieved from July 2020 for multiple reasons, covid being one which prevented her continued stay on campus. Also, no Mumbai markets were operational. This combined with some personal reasons we relieved her in July 2020. Recruiting another person at this stage was infeasible as by the time the person settled in the job the funding would have been over. We, thus, had to craft a dual arrangement of taking the services of an outside resource person who would function as a guide and mentor and train one of our staff to handle the marketing aspects.

During rabi Mumbai markets became functional partially since November 2020. This season farmers trained last year have been managing markets on their own. They have started taking decisions on which market to service, how much produce to take to each, pricing etc. This is very heartening as eventually farmers would need to take ownership.

A recent development being explored is to tie up with a partner for online orders from customers to be delivered to their society gate. This adds complexity in terms of understanding and interpreting the orders on the portal, customized packing and labelling and managing the collections.

To build a closer farmer consumer relationship, we have initiated visits by consumer groups to farms for a day visit. Consumers interact with farmer families, eat simple farm fresh food, survey farms and return with lot of satisfaction and good will for the activity.

Another innovation we are trying out is use of new technology created bags which guarantee a longer shelf life and keep vegetables fresh.

Farmers are learning:

- How to use smart phones, accepting orders on whatsapp.
- Flexibility in collection time and location
- How to keep veggies fresh, packing & arranging vegetables in the tempo.
- Executing multiple orders at same time.
- How to protect themselves and also make money, during pandemic
- Continuing improvement in quality of produce
- Cultivation of new vegetable varieties

Financial Impact

A significant impact of this project has been sharp increase in realized price/kg of vegetable sold across all seasons. The table below illustrates trend over two years across seasons.

Performance at a Glance – 18/19/20

Year / Season	Farmers Nos.	Qty kgs	Net Earning Rs.	Earning/kg Rs.	Average/ Farmer Rs	Highest earning Farmer
Kharif						
2018	21	1137	25537	22	1216	5500
2019	18	1440	57741	40	3208	8660
2020	15	1359	61943	45	4130	9765
Rabi						
2018-19	36	10411	395618	38	10989	61294
2019-20	27	11567	581477	50	21536	106350
2020-21 (upto Jan21) *	37	4767	204981	43	5540	28878
Summer						
2019	17	1963	79019.5	40	4648	22000
2020	14	2762	131790	48	9414	22766

***Rabi 20-21 is only upto Jan 21. Peak Rabi months are Feb/Mar hence cannot be compared with previous years**

From Rs.22 – 45/kg in kharif, Rs. 38 – 50/kg in rabi and Rs. 40-48/kg in summer. For farmers to get a steady price over the entire season and be protected from the unpredictable market dynamics is no mean achievement. This has resulted in increase in average earning of farmers and sharp rise in highest earning farmer.

Issues & Challenges

The biggest issue is the farmer base which has not grown as we had planned. Enrolling new farmers is a fairly long drawn process needing lot of interactions with farmers as a group and one to one. Also, for logistic convenience we need to locate new villages where a group of farmers are ready to cultivate organically and undertake mixed cropping – a bed rock of our sustainable farming model. Last year from March almost upto September 2020 such interactions were not feasible. Overt last few months we have enrolled 13 new women farmers. Over the next few months this will be a priority activity and we propose to build the farmer pool to over 100.

Farming largely practiced in our area is chemical, use of hybrid seeds and mono cropping. Marketing is through a buyer who collects from a point near their farms. Purchase price varies and towards the end of season drops to as low as Rs. 10/kg where farmers cannot even afford to harvest using outsider labour. They are thus forced to leave their crops standing in the field. The yields are higher, but profitability is lower. After a couple of years farmer has to rotate the field due to eroding soil fertility. However, the farmer has got set in this pattern and reluctant to make a change to a diversified multi crop farming system where efforts they need to expend are significant. The process of adding new farmers is thus a slow one. The silver lining however is the ones who have adjusted to the system have done well for themselves.

Scaling up is both necessary and possible. However, any new market needs a fairly wide spread of vegetable variety. Over the years we have improved considerably on this aspect. Still lop-sided vegetable cultivation results in unsold produce largely constituted by 2/3 vegetables easy to cultivate and hence farmers continue to over produce them. As the farmer pool increases, to get a balanced vegetable mix is not going to be easy. Transportation is another vital aspect in the scaling up. Current vehicle will prove small for expanded farmer base and further, being an old vehicle, it will no longer be possible to bring it to Mumbai and other metropolitan areas. This will hit the activity hard as hiring a vehicle is economically infeasible.

Tribal mind set does not naturally promote collaboration. Sitting together in their clusters, planning cultivation, monitoring activity in the cluster and not their isolated farms has still to take root. While some ownership is clearly visible on the marketing front, this has to translate on the farm planning and cultivation front.

Monitoring yields on small plots and mixed cultivation is a very complex process and difficult to infer from one year to the other if the product mix has changed. In year 1 we had a team of

experts who visited us. Subsequent visits could not materialize due to onset of pandemic. However, we have now sought support from local experts and are tracking yields both of chemical as well as select farmers from our group.

Overall Impact

The financial impact has been detailed earlier.

An impact assessment study initiated with a student from a Mumbai based Management Institute reveals several features of this programme:

- Farmers have earned a steady income and are stable in their villages with their families
- They have minimized their risks due to cultivating multiple crops; many who were into mono cropping earlier faced almost complete damage of crops due to large scale crop failure in few years
- Their input costs have significantly reduced – composting on farm, seed saving, family labour and profitability has been higher
- Their soil fertility has improved considerably
- Their diet has been enriched with inclusion of vegetables and fruits; this has positively impacted their health.
- They experience a new respect from customers who have been eager to have them start visiting their housing societies/school complex
- A brand identity of “vikramgad farmer group” is gradually getting built

Budget Utilisation

Item Description	Year 1	Expenses	Balance	Year 2	Expenses	Balance
Proposed logistics/marketing professional @ 30k/month residing at our centre	360,000	360,000	-	396,000	308,454	87,546.00
Technical resource person for yield baseline and improvement studies – 4 visits per year for two days @ 10k/day professional charges	80,000	80,000	-	60,000	25,000	35,000.00
Total	440,000	440,000	-	469,076*	333,454	135,622.00**

*13076 transferred extra

**includes the extra 13076 as above

