

**National Conference
on
Farm Based Livelihoods**

29-30 October, 2012

@

Chennai

**PROCEEDINGS AND POLICY
RECOMMENDATIONS**

Introduction

Inclusive growth and development is the central theme of the 12th Five Year Plan. Inclusive growth is a multi dimensional aspect which should result in greater reduction in poverty from the holistic perspective touching upon health, education and human resource development. More importantly, the key objective of inclusive growth would be better opportunities for wage employment and livelihoods coupled with improvement in provision of basic amenities – water, sanitation, electricity, roads and housing. With more than 70% of the population still engaged in agriculture, the primacy of farm based livelihoods – crop and animal husbandry for the inclusive growth cannot be over emphasized. There have been successful experiences and experiments in enabling, promoting, enhancing and sustaining farm livelihoods particularly, the small and marginal farmers by the Governments, civil societies/NGOs. What comes out of this experiences and experiments is the need to scale up for sustaining livelihoods and linking them with larger supply and value chain. Lack of access to capital has been a major dampener in promoting livelihoods. To aid the process of enlarging the livelihood opportunities, access to financial services – savings, credit and insurance is an important and necessary condition. By and large, women including small and marginal farmers have not been able to enjoy the fruits of inclusive growth owing to their inability to capitalize on the opportunities emerging due to economic growth.

The advent of SHG Bank linkage programme has enabled large number of poor women to access savings and credit through bank linkage. To certain extent access through SHG Bank linkage programme has contributed to credit support of livelihood programmes. Nevertheless, livelihood financing through innovative ways and methods remains a greater challenge in our efforts to advance livelihoods. **In this backdrop, the National Conference on Farm Based Livelihood is being organized jointly by Tamil Nadu Corporation for Development of Women and Pudhu Vaazhvu Thittam of Government of Tamil Nadu, Dhan Foundation and Inafi India with focus on SHG women members and small and marginal farmers on 29-30 October, 2012 at Chennai.**

The National Conference was for two days with first day being Conference of Communities comprising of communities of SHGs, small and marginal

farmers and the second day being the Conference of Supportive Stakeholders including supply and enabling stream comprising of Commercial Banks, Insurance Companies, Governments, Philanthropies and civil societies, CSR, etc. NABARD has been quite supportive and encouraging for this initiative and provided good grant support for organizing the Conference.

The Conference had been organized with the following objectives:

Day 1 Conference of Communities will have objectives of:

- a) To provide platform for SHG women members to share their experiences and lessons learnt.
- b) To articulate the issues and challenges, operational constraints faced by small and marginal farmers in farm based livelihoods particularly farm collectives/cooperatives and producer companies.
- c) To enhance the knowledge on the supply and value chain and its benefits for small and marginal farmers.
- d) To identify the issues and areas of policy support including livelihood financing from the Government, Reserve Bank, NABARD and Commercial Banks.

Day 2 of the Conference will have the following objectives:

- a) To find out the gaps, bottlenecks and impediments in enhancing, advancing and sustaining farm livelihoods.
- b) To look at innovative ways of livelihood financing for farmers' collectives.
- c) To identify policy leads (based on the deliberations of the Conference of Communities) for various stakeholders including Government, Commercial Banks, Insurance Companies, Philanthropies and civil societies for enabling framework for farm based livelihoods.
- d) To explore the areas of convergence with National Rural Livelihood Mission (NRLM) for enlarging farm livelihood opportunities for small and marginal farmers and suggest suitable ways and means for this approach.

EXECUTIVE SUMMARY

It must be acknowledged that the Conference of Communities had enriching and enlightening deliberations by the communities coming as did from the practices and experiences, bringing to the fore many issues and challenges, success and failures, gaps and the lacunae in the support system including enabling process, lack of infrastructure, lack of legal framework, etc. Interestingly, access to land and capital and labour availability continue to pose major challenge in pursuing farm livelihoods. For the supportive stakeholders to get a full account of the deliberations on both days, the detailed proceedings have been captured. However, in this chapter we have summarized the important insights and recommendations.

Issues And Insights From Community Speak:

Assets/Land :

- Fragmentation of land and resultant small size of farm holding is the biggest problem which has escalated the cost of cultivation on one hand and which impacts economic scale.
- Entitlement for women engaged in agriculture for land shall remain as major issue, which may have a negative effect on meeting the credit needs of SHGs members through NRLM or any other financing institutions that lends to SHGs.
- Land leasing continue to remain as a problem due to lack of enabling legal framework.

Farm Inputs:

- Small/marginal farmer's knowledge on crop production with respect to fertilizer, pesticide and herbicide application, usage of cattle field is limited/inadequate and they were not able to take uniform decisions. Always they rely on the words of the input supplier (mostly the fertilizer dealer) who often mislead the farmers, leading to increase in cost of cultivation.)
- Indiscriminate and continuous use of fertilizers and pesticides without proper knowledge has created a negative impact on productivity and quality of the produce

- Price of fertilizers has increased many folds. People felt that there is no strong recommendation to government regarding this price issue.

Training and Capacity Building

- Capacity building and trainings through SHGs has led to definite positive change in farm based livelihood. Yet the full potential of SHGs is not utilized so that it can benefit all families engaged in agriculture and allied activities. A proper system has to be created for capacity building regarding farm based livelihoods

Technology Adoption

- Low cost and easily adaptable technological intervention in farming was done by SHGs. e.g., SRI method of paddy cultivation, using breeder seed for better yields, pit-tray nursery cultivation as a livelihood opportunity, effective use of fragmented rainfed lands through farm ponds, exchange of labor to solve the growing labor problem, ridges and furrow method of cultivation, reviving traditional agricultural crops and practices that were beneficial and organic farming
- Yet mostly technology is often pro-rich and out of reach of small and marginal farmers who remains excluded and isolated due to lack of proper system to include them in dissemination and adoption of new effective farm technologies.

Risks in Farming

- Farming depends on many external factors which are uncontrollable like weather/climate, floods and droughts, insufficient and untimely rains. Risk mitigation remains as another biggest challenge for want of appropriate and affordable crop and livestock insurance schemes.
- There is no full- fledged adaptation of existing insurance schemes. Though insurance schemes are linked with farm credit, even all the farmers who avail farm credit were not fully covered.
- There is delay in claim settlement, since it was after crop cutting experiments which forms the basis for claims. Also farmers face difficulty in getting necessary documents, requested by insurance companies due to field level problems.

Farm Credit

- Timely (ensuring credit during the beginning of crop season) and adequate credit (to meet the cultivation cost) is still out of reach of farmers
- Credit facility is mostly availed by big farmers and the small, marginal and tenant farmers face difficulty in getting farm credit.

Accessing Government schemes

- Lack of awareness among farmers regarding the existing schemes
- Lack of guidance from the concerned authorities in obtaining the schemes, even when requested
- Lack of access to technology and schemes at the door steps of farmers.
- More number of documents has to be produced for availing a scheme benefit, which along with other problems causes a delay in realizing the benefits.
- Preference to some with vested interest, which creates an imbalance in availing the scheme benefits

Collective farming and marketing

- SHGs has provided a platform for enhancement of farm based livelihoods, through collective approach, as evident through success stories of collective farming, collective purchase of inputs, collective market etc., but it has to be further scaled up by creating many support systems.
- .Economics of scale is very important in collective approach to enhance farm based livelihood
- Crop based collective approach and also village based approach (based on the need) can support farm based livelihood.
- Collective farming and marketing has enabled creation of wage employment to farm families to some extent.

Market issues

- Price of agricultural produce fluctuates very much, causing problems in marketing
- Market intelligence support is much needed to small and marginal farmers, who always remain excluded from the supply chain, which is the main reason for exploitation by middle men.

Migration and Labor issues

- Migration of youth from villages to towns, urban and semi urban areas on search of better employment opportunity, is raising a concern on the future of farming and agriculture based livelihoods
- Demand for labor has increased off late for lack/reluctance of youth to engage in farming activities. MNNREGA program also has compounded the labor issue, since the labors prefer NREGA works rather than farm works.

Policy Recommendations

Assets/Land :

- Concession on registration fees for lands registered in the name of women, to facilitate entitlement of land holdings in the name of women
- Legal environment to facilitate land leasing without any harm to either of the parties involved
- Facilitate land leasing in the name of SHG/producer or livelihood groups
- Credit for purchase of agricultural land by landless agricultural laborer

Farm Inputs:

- Counseling cum Service centers through Public Private Partnership: Counseling cum service centers can be established at block level to facilitate farmers to purchase right inputs at right price.

- Soil test based nutrient application can be facilitated by the above center.
- Price of fertilizers has risen at an alarming rate. Though integrated nutrient management principles are there, it is not widely followed. Farmers can be taught to adapt nutrient saving technologies to reduce the input cost.
- Combined management of water resources by community : maintenance of tanks and tank cascades, construction of farm ponds and community wells and following other water harvesting practices to use water effectively must be given due focus in State programs and policies.
- Enabling infrastructure for farm based livelihoods like using existing NREGA program to regenerate water bodies and create wage employment, integrating watershed programs with soil fertility management etc.,

Training and Capacity Building/Technology adoption

- Establishing Farmers Business schools instead of farmers field schools to empower farmers to do agriculture as a business
- Technology and information should be made available at the door step of farmers. SHG and other farmers group can be effectively utilized by giving proper training. Inclusive growth in villages will happen only then.
- Collective farming will facilitate widespread adaptation of a new technology at a faster rate.
- The above can be ensured through PPP model

Risks in Farming

- Tailor made products for crop, livestock and insurance of farm machineries. Government subsidy is available for group life insurance products like JBY. Similar support must be given to make crop, livestock and farm machinery insurance at subsidized rate.
- Education regarding crop/livestock insurance and its importance and other risk mitigation strategies should be given to farmers.

Farm Credit

- Creating a credit infrastructure at the community/village level so that timely and adequate credit is available to farm based livelihood.
- Timely and adequate Farm credit can be ensured if SHGs were used as a platform and the policies of the banks support such a change. Banks can extended their agricultural loan through SHGs/JLGs and exclusive institutions formed by communities for enhancing farm based livelihoods.
- Since livelihood intervention is more likely to absorb more investment the ceiling limit for SHG loans can be revised from Rs50000 to Rs100000 for farm based livelihood activity at the individual level.
- Products like Special savings for livelihood to facilitate such higher lending can be evolved.
- Differential rate of interest to agricultural credit availed by SHGs/ also for members within SHG
- Kissan credit cards can be extended to SHG members/SHGs/ engaged in farming

Accessing Government Schemes

- Training and capacity building to all farmers especially with focus on small and marginal farmers and SHG women, with complete details about the scheme and way of availing it.
- Brochures/leaflets regarding such schemes should be readily available at village level for any clarification
- Participation of officials from concerned departments in village level meetings like grama sabhas, meeting of CLG and such association of SHG members and other meetings
- Ensuring that all the schemes reach the needy without delay, through speedy action by relevant department with real concern for small and marginal farmers

Collective farming and marketing

- Small size of holdings is the major cause of reduction in productivity and profitability through farm based activities. Creating a strong exclusive social capital at different levels, which are either crop based or village based to facilitate collective farming and collective marketing is crucial. This will also ensure resource use efficiency for reaping maximum benefits, which is essential considering the presence situation of non-fertile lands, less water available and increasing cost of other external inputs.
- Creation of context based exclusive farm models depending on the existing resource availability and need of the people with focus on optimum resource utilization and long term sustainability is the need of the hour
- Collective farming is possible through contract farming and creating a nested institution of exclusively for farm based livelihood support like producer companies and through cooperatives. Crop based/village based groups and producer companies can be formed to support this process.

Market issues

- Decentralization of storage godowns at door step of farmers can be thought off. The concept of Community managed godown's can be promoted. Existing primary agricultural cooperative credit societies can also be made use of for this purpose which can provide warehousing facility and also loans against the product stored.
- There is no post-harvest processing support which leads to wastage of farm produce and also affects the price of the produce during over production. To mitigate this cold storage support for perishable commodities, value addition and processing of farm produce at village level etc. need to be established.
- Collective farming and marketing will pave way for farmers to market their produce directly to wholesaler's and even in retail, avoiding the problem of middlemen.

- Every farmer in the village should be made aware of the large scale market and day to day market price of the crop they cultivate through proper training and adoption of technology to the maximum extent.

Migration and Labor issues

- MGNREGA program can be linked to provide labor for small and marginal farmers
- The increasing labor problem pays ways for innovation and new business opportunities like organized supply of services like common vegetable nursery raising in vegetable intensive villages, collective paddy nursery raising and transplantation services through paddy transplanting machine through pre-order. This will also enable quick adaptation of technology like SRI by all farmers. Similar such innovative services can be created depending on the local needs. Supplying of farm labor through organized way is another business opportunity.
- Diversification of employment at village level which can be a secondary or tertiary non-farm employment based on local needs, will help to prevent migration of youth to urban areas.

A long term collective approach involving appropriate strategy is needed to address farm based livelihood issues. Context and area specific approach with real passion and concern, involving all stakeholders, state and central governments, NGOs, Banks, Insurance companies, Research institutions and private actors who depend on agriculture will make the farm livelihoods a vibrant one, which will enable greatly to reduce rural poverty.

Day 1 - 29.10.2012

CONFERENCE OF COMMUNITIES (SHGS, SMALL AND MARGINAL FARMERS)

In the first day Conference of Communities, more than 200 farmers, SHG members & NGOs from 11 states (Andra Pradesh, Karnataka, Orissa, Jharkand, Rajasthan and Uttar Pradesh), etc Officials from government sector, banks participated. The day started with a prayer "Om dhattha sri", followed by " yennathil varuvadhu varthayile" and a silent prayer for one minute.

Introductory address - Mrs. Amudha, IAS, MD, Tamil Nadu Women Development Corporation

In her address Mrs.Amudha appreciated the participants who came from different part of the country and who spoke different languages, and yet assembled here to give suggestions and ideas to improve farm based livelihoods. Twenty years back, the problem of women unaddressed. Presently the scenario has changed due to SHGs, which has brought respect for women and empowered them to take part actively in livelihood activities. The gender restrictions have gone and they are able to participate and express their views even in a National conference like this.

The Tamil Nadu women development corporation was initiated in 1983 and the first SHG was formed even earlier by 1980's in Tamil Nadu. Today the SHG program has grown many fold, and in such a situation that any other development program has to seek the support of SHG for effective implementation, whether it is health, education or Livelihood program. One study by APMAS that every day 400 women gets joined in the SHG movement across the country stands as a proof for the success of the program. Presently there are over 200 lakh groups in the country and they have become an important tool to address the poverty in the country. The idea of self-help groups to address poverty was promoted by Grameen bank, which our country adapted in a large scale with savings and development impact focus. SHG programs are implemented by many states now and Tamli Nadu remains a forerunner. The Central government also has launched the National Rural Livelihood Mission, to enhance the livelihood status of poor through the SHG program. Making a family to earn Rs.50000/annum

and provide credit access to the tune of Rs.1,00,000/family through this program are the goals the mission aims at. This is to be achieved through proper livelihood support strategies. However there are many challenges in implementation. The majority of women engaged in farm based livelihoods do not have proper entitlements, which has to be addressed to make the program more comprehensive.

Livelihood Perspectives of SHG Programme - M.P.Vasimalai, Executive Director, DHAN Foundation

M.P.Vasimalai said that all the participants here have rich experience in farming and how this experience get amalgamated into higher policy level decision making bodies is critical to arrive at a concrete solution. The issues raised here should pave way to solutions. There exists a disconnection between reality and practicing, and this conference is aimed to bridge the gap. In fact, there is indigenous knowledge in agriculture and many successful farm practices followed across the country, which when captured and properly communicated can lead to many solutions. The focus of this conference hence should be on finding solutions through feedbacks and inputs from the community.

Addressing the Livelihood issues in agriculture revolves around Home economy, Village economy and farm economy which are interdependent and are to be balanced.

Home economy is the family level economic situation and that must be improved through adequate support to farming. The Village economy is very crucial in that, any economic activity carried out in the village must be based on locally available resources and local needs and supports the growth of entire economy of the village. The economy should be such that it ensures sufficient livelihood opportunities and income generation to all families. Farm economy is entirely dependent on agriculture and allied activities, income from which when done individually is not economical due to highly fragmented structure of our farm holdings. Graduating our farm economy through collective action is needed. Again agricultural economy differs depending on the context- whether it is irrigated, rainfed, garden land, coastal etc. The income and expenditure pattern of irrigated paddy varies considerably with rainfed/direct sown paddy. All these above factors are to be considered while addressing farm based livelihood.

There are three possible options to address this

1. **Creating the social capital for farm based livelihood:** SHGs now function with its primary focus on savings, credit and insurance. Specialized social capital for farm based livelihood has to be created at different levels by organizing people, which will facilitate to purchase inputs, produce outputs and market them collectively through producer companies.
2. **Reaching technology to the needy:** Technology is often pro rich and hence used effectively only by the affordable class and the small and marginal farmers are deprived of this access. This remains the biggest gap. The small and marginal farmers suffers from lack of knowledge and technological updation and this remains as an hurdle for the growth of small scale agriculture.
3. **Market in the hands of farmers:** Market price of the agricultural produce is not in the farmers hands at present. There exists a huge gap between the procurement price and the price at which it lands at the consumer's hand, which is largely influenced by middlemen and the transport cost involved. The price of farm produce is highly fluctuating, causing distress to farmers. Integrating agriculture with marketing is essential to address this issue. An initiative by DHAN for collective marketing of vegetables through a farmers owned super market called "Thottam" is an effort which benefits both the farmers and consumers, by facilitating farmers to market directly their produce in retail. More such initiatives must be done to enable farmers to dictate the price of the produce.

Mr.Vasimalai also stressed that inputs from this conference should be carried forward for implementation, by the different stakeholders involved for making the farm based economy a vibrant economy.

Inaugural address - Mr.N.S.Palaniappan, IAS, Principal Secretary, Department of Rural Development and Panchayat Raj, Government of Tamil Nadu

Mr.N.S.Palaniappan, in his Inaugural address expressed happiness that "There are over 85 lakh members in SHGs in Tamil Nadu of which 67 % were rural women. They have a savings of Rs.3374/ crore and Rs15,500 crore credit has been dispersed to them. The Tamil Nadu Government which

ranks among the top three in many social and economic indicators has released the Vision 2023 document, which aims at making 80 % of women economically active through various programs. Various programs of the government like SGSY, Pudhu Vaazhu project implemented with the support of World Bank through which Common Livelihood Groups are formed based on the concept of collective livelihood action and NRLM program all are targeted towards enhancement of rural livelihoods. So far 2497 farm based CLGs were formed through Pudhu vazhvu program. Farm production and productivity should be enhanced further for which a second green revolution is essential. The Government's objective is to raise all poor above poverty line, through state and central schemes. And the support of NGOs is also much needed for empowerment of women and directing rural India in a right way. He asked all the participants in the conference to share their experiences and to use the insights learned for betterment of farm based livelihoods

COMMUNITY SPEAK:

The farmers and SHG members from different organizations presented their experience in farming, challenges/issues and their collective action to address some issues. A brief of the presentation is given below.

Mrs.Beulah Vijaya, PLF Secretary, Pandi Kaavanur Panchayat, Thiruvallur District, Mahalir Thittam, Tamil Nadu

She shared that farmers in Pandi Kaavanur Panchayat used to grow greens, vegetables like bhendi, tomato, brinjal and paddy. The farming activity is subjected to many issues like availability of electricity, escalating fertilizer prices, labor and marketing problem. The MGNREGA program is diverting labor from farm activities, as they get more money for less labor adding to the labor problem. Farmers were not able to get right price for vegetables since it was greatly influenced by middlemen. She also shared the recent experience, about the price of green gram, which shot up after sale of produce due to demand for seeds for sowing. The farmers were not able to know the trend and market the produce accordingly.

Beulah also shared that the vegetable growers in the village get organized and now able to market their produce directly to Koyambedu market, thanks to the support of Mahalir thittam. The various training programs given by the program raised women both economically and socially. Earlier they used

to depend on men. Now the scenario got changed and men started depending on women. Beulah also said that a definite solution is needed for enhancing farm based livelihoods.

Impact: Collective marketing of vegetables which enabled the SHG women to get better price for the produce.

Mrs.Subbulakshmi, President, A.V.Patti Kalanjiam Dairy Primary Producer, Vadamadurai vattara Kalanjiam, Vadamadurai, Dindugal district, Tamil Nadu

Subbulakshmi shared the experience of women in enhancing their income through dairying by organizing themselves into dairy producer group. It all started 15 years back when the members started saving Rs25/month by joining the kalanjiam promoted by DHAN Foundation. The women dairy farmers in the village were cheated by middlemen, right from improper measuring, reduced price for produce and delayed payment. The measuring cans were such that 1200 ml will be measured as 1000 ml. This promoted 50 women members in the village to join together and form a dairy PPG. This initiative has helped to ensure usage of accurate measuring cans and prompt payment. Vadamadurai vattara kalanjiam and other women federations in Dindugal district has 30000 women members of which 5000 members were engaged in dairy activity. All the member were now happy that their dairy activity has become now profitable because of this collective action. She also added that she has a savings of Rs20000/ in the SHG and could get Rs40000/ as loan for educating his son.

Impact: 5000 women members involved in dairy activity were organized in Dindugal district for collective marketing of milk

Mr.Hanumanthappa, President, Anjeneyasami Male Farmers Association, Doddakallahalli, Kolar District, Karnataka

Hanumanthappa shared that he has only one acre of rainfed land in which he used to cultivate ragi under rainfed condition. The crop was always at risk as it depended completely on rainfall. The area was too dry that even digging of ground well will not assure water even at 1200 feet depth, which incurs a cost around Rs.400000. The vayalagam federation promoted by DHAN Foundation came to his rescue by way of fund support from Bharat Petroleum company limited which aided construction of farm ponds. Mr.Hanumanthappa said that he received Rs.60000 as fund support and

contributed his own money of Rs16000 to construct a farm pond in his land. Now he grows vegetables- bhendi in half acre and brinjal in another half an acre. He shared with pride that already he earned Rs50000/ profit and expects another Rs50000/ as profit from his one acre of land. He said that farmers can bring a positive change in their livelihood if they put their existing resource to maximum utilization with proper planning.

Impact: Farm pond enhanced the water availability for cultivation of vegetables and led to significant income rise.

Mrs.Kalaiarasi, Sri Durga Samdhee poo sangam, Then Siruvallur, Chinna salem panchayat, Thiruvallur district, Tamil Nadu

Mrs.Kalaiarasi shared that the women members in the village owned fragmented lands ranging from 30 cents to 50 cents, in which they they have been cultivating flowers. They used to market the flowers through middlemen individually, who in turn will send them to Thalaivasal/Kallakurichi flower market. After joining the SHG promoted by Mahalir Thittam, they were educated to market them collectively. So, fifteen members joined together to market flowers collectively. They also got a loan support of Rs100000 from the Panchayat Level federation (PLF). Now they are purchasing inputs, cultivating flower crops and marketing them collectively. One of the members from their families will take the flowers to Kallakuruchi/Thalaivasal market on turn basis. This has proved to be successful in reducing the cost and increasing the income. Now they are planning to install drip irrigation system with the support of NABARD.

Impact: Collective marketing of flowers enabled women farmers to ensure right price for the produce

Mr.Singa, Similikuda, Orissa

Mr.Singa from Similikuda, Orissa is a farmer who belongs to Kondu tribe and he described his experience in farming in Kondu language. His wife was a member of Kalanjiam SHG group promoted by DHAN Foundation. He said that he not only able to get timely credit but also technical support through SHG which enabled him to use breeder seed for ragi cultivation. Using that he got 3 times more yield than others. He also shared that the entire village used to cultivate turmeric once and the practice was given up now. Now with the Kalanjiam we are planning to revive the cultivation of turmeric. The major problem in the tribal areas is that we are exploited by the market

forces and forced to sell the vegetables to Rs0.50 paise/kg which is not at all profitable, while they sell at very much higher price to the consumers. He wished that this problem is solved so that they can get better income.

Impact: Usage of breeder seeds which ensured high yield and revival of traditional crop and agricultural practices.

Mrs. Bilasini Kandi, Badakokala village, Joint secretary, Deepica Federation, Bramagiri, Puri, Orissa

She shared the experiences of the members in cultivating sunflower. The SHG members took up collective farming of sunflower and they incurred an expenditure of only Rs5000/ and reaped a profit of Rs50000/. The Kitchen garden concept is also practiced by the members through which they cultivate vegetables like tomato, greens, chillies, cucumber and pumpkin. The Deepica federation also helped another village, where all belonged to Muslim community. The women members who were initially reluctant to come out of their house due to social restrictions, later formed a SHG and they graduated enough to lease a cashew plantation for Rs32,000/ and just after four months they got a profit of Rs1,28,000/ out of it. They used the profit to educate their children and also contributed for social activities in the village. She shared that the NGO, PREM helped them a lot in initiating such farm based activities in the village.

Impact: Kitchen garden by SHG members and enhancement of livelihoods through women empowerment.

Technical session

The inaugural session was followed by the technical session, where the farmers and SHG members from different NGOs shared their initiatives and experiences. The panel for the event was Mr.Manohar singh, Additional Director, (Livelihoods), Tamil Nadu Corporation for Women Development, Mrs.Shajeevana, Additional Project Director, Pudhu Vaazhvu project, Ms.V.K. Padmavathy, CEO, Kalanjiam Foundation and Mr.Mohabatra, DGM, NABARD.

Mrs.Irulayi, Member, Medicinal plant primary producer group, Nagamalai, Batthalagundu taluk, Dindukal District, Tamil Nadu

Irulayi is a member of SHG promoted by Nilakottai vattara kalanjiam, a federation of women SHGs. She and 15 other members in her village

became the member of kalanjiam 14 years back. Most of the members were poor herbal gatherers who used to collect herbs growing in the foot hills and sell it to middlemen who in turn sell it to wholesalers in Madurai/Virudhunagar. **Irulayi** narrated an incident where she saw the medicinal plant Thulasi (*Occimum Sanctum*) being sold at a Shandy in Batthalagundu at Rs30/kg, while it was procured from them at Rs2/kg. This prompted her and other herbal gatherers in the village to get associated themselves as a Medical plants Producers (gatherers) group, with the support of Kalanjiam Thozhilagam limited, an initiative of DHAN Foundation to support kalanjiam members in their livelihood interventions. The members used to collect thulasi, Calotrophis, Keezhanelli, Mevanelli, Karisalaangani, Saarana kodi, Neem leaves etc., and market them through Veruveedu procurement center established by the members themselves, which ensures right price for the produce. The center receives medicinal plants from 18 such groups in 32 villages where there are more than 250 members. Irulayi also shared that all the groups in Dindukal district and neighboring Madurai and Theni Districts got registered as Maruthi Medicinal plants producer company limited with a share capital of Rs50000 and they are planning to increase the share capital to Rs100000/

Irulayi also expressed that many of the herbal gatherers find difficult to dry their produce and asked for supply of tarpaulins, so that they can provide dried herbal produce with quality .

Mrs.V.K.Padmavathi, reflected on behalf of the panel that, the herbal gatherers belong to poorest of the poor category and they have problems of storing their produce and also vulnerable to risks of snake bites as they have to gather herbs from foot hills of the villages full of other weeds. Ensuring social security for them is also must she added.

Mr.Mohapatra, shared that the Puri jeganaathar temple needs 6 tonnes of Thulasi everyday and the Cluster approach initiative of NABARD to make farmers grow Pudhina and Thulasi by the farmers in near by villages so that they can capitalize the market. He said cultivating Pudhina and Thulasi is possible with less water and no fencing is needed as they will not be grazed by cattle. One of the participant shared that the cost of tarpaulin is around Rs6000/ and 50% subsidy is available for purchase of tarpaulins which can be well utilized by the members.

Dr. Pradhapann, Asst. director of Horticulture, National Medicinal Plants Board, Government of Tamil Nadu shared that subsidy in range of 25 %, 50 % and 75 % is available for medicinal plants cultivation. Subsidy is also available for construction of drying yard/storage godowns to a tune of Rs5 lakhs in public lands and Rs2.5 lakh in private land which can be well used by the community engaged in herbal production.

Impact: Organizing women herbal gatherers and setting up of herbal plant procurement centers has now scaled up to a producer company, to capitalize on the market for herbs and to ensure right price for the produce.

Mr.Sathish Nayak, Farmer, Kundapura taluk, Udipi District, Karnataka

Mr. Sathis Nayak, a farmer who is the member of Pragathi Bhandu group (SHG) promoted by SKDRDP, shared his experience. He said that "Pragathi Bhandu" groups are unique models of self-help groups that center around the cultivation of waste lands through labour sharing. Such groups organize and empower small and marginal farmers and laborers through the transference of governance to the village level. Five farmers joined together to form this group and they started saving Rs20/week. The labour sharing principle was followed in the group and now they share labor 3 to 4 days/week. If there is labour work in one farmers land, all the other four members will contribute labor. SRI method of paddy cultivation was followed with the technical support of Manjunatha trust and Rs10000 loan support from NABARD to the group. Earlier they used to spend Rs8000/acre for raising paddy and the expense got reduced to Rs4000/acre. He also shared that the farmers were able to get a yield of 20 quintals per acre on an average. The members of the group also were engaged in dairying through which they produce 60 to 70 litres of milk per day. Sathish also said that the members switched over from paddy cultivation to rubber cultivation in few acres, which they are intercropping with pineapple, pumpkin etc.,

Reflecting on the presentation by Sathish Nayak, the Mr.Mohabathra said that SRI technique also reduces CH₄ emission from paddy fields. He also expressed concern for switching to rubber crop, since the market price of rubber is highly flexible due to market forces.

V.K.Padamavathi reflected that it is good to see that graduation of livelihoods has happened due to Pragathi bhadhu groups. The members are

taking up agriculture and allied activities. It will be better if a crop calendar is made, to use the scarce land and water resources effectively by careful rotation and selection of crops, she added.

Impact: Labor sharing principle and adoption of improved technology in paddy cultivation (SRI) enhanced the livelihood of farmers

Mrs.Lakshmi, Zilla parishad sub committee member, Nellore, Society for Elimination of Rural Poverty, Andrapradesh

Mrs.Lakshmi shared about sustainable agricultural practices she followed in one acre of agricultural land. SRI method of paddy cultivation Non-Pesticide Management(NPM) of pests and 36 feet by 36 feet model of vegetable cultivation in natural way is being practiced by her with the technical support and training given by SERP. In half an acre she grows paddy and in another half an acre she grows vegetables, along with millets, black gram, castor and groundnut together. The growing of legumes fixes nitrogen in the soil. The castor serves as a trap crop. For pest control she uses home made concoctions from neem, garlic, chillies, plant and herb extracts etc., SERP is supporting such activities by giving Rs5000 to Rs10000 for leased agreement of land to take up such cultivation. She said she was able to get a profit of Rs1,00,000 in a year from one acre by following natural farming and efficient farm technologies.

The panel reflected that the concept behind this is invest less, use resources without exploitation and reap more and appreciated the efforts. Such interventions should take place in larger scale for transformation of farm based livelihoods, the panel added.

Impact: Adoption of SRI technique, Non-pesticide management and 36 feet by 36 feet model of vegetable cultivation enabled effective use of resources and higher income.

Mrs.Gowri and Mrs.Dhanush, Avalur village, Vaalaajabad Block, Kanchipuram District, Tamil Nadu

Avalur village is known for intensive vegetable cultivation. Mr.Gowri and Mrs.Dhanush shared how the women members used this to the best of their advantage, due to the support of the NGO Hand in Hand, which trained them in the concept of Pit-tray method of vegetable nursery raising and vermi-compost manufacturing. The women members in the SHG currently use 3

cents of land for raising nursery of tomato, bhendi, chillies, brinjal, papaya etc., on pre order basis. They use to receive 50 % of the amount as advance. They could raise 50000 seedlings in 3 cents. They used to cell one tray of seedlings at Rs60- Rs80 which contains 100 seedlings which gives them a profit of Rs15000 to Rs25000 in a span of just 30 days. The 60 women members in the village also got associated to produce vermicompost for which they received Rs1,00,000/ as credit for setting up a vermicompost unit. The members produce 2 tonnes of vegetables, which they market collectively at T.Nagar in Chennai.

The member also placed a request that 3 cents of land is not sufficient and they need financial support for purchase/land lease of additional lands as the demand for nursery is more.

The panel reflected that guidance, training and support for these kind of activities need to be extended by the relevant stakeholders continuously. However the member should not expect any freebies, but use the profit to enhance the business and also can avail credit from formal sources to enhance their livelihood activity still further.

Impact: Utilizing the existing demand for vegetable seedlings and converting it into a organized business activity has helped women SHG members to earn good income

Mrs.Aadhilakshmi, Vaiyaavoor, Vegetable producer Common Livelihood group, Kanchipuram District, Tamil Nadu

Mrs. Aadhilakshmi shared that she was a member of Vegetable producer CLG promoted through Puudhu Vaazhvu program of Tamil Nadu government. She and 15 other vegetable growing members formed this group with a aim to do collective farming and marketing of vegetables. Earlier the middlemen used to dictate the price of vegetables, but currently they market their product collectively by transporting them to vegetable wholesalers in T.Nagar. They were also able to bargain with the wholesalers to fetch right price for the produce. She said that to reduce the transport cost the group is planning to purchase a load carrier vehicle of their own. She expressed that they need loan support from the bank for purchase of a vehicle which can aid in their business.

Other presentations were regarding ridges and furrow of cultivation of carrot in Magadi village, Karnataka to prevent rotting during rainy season,

collective marketing of vegetable taken up in Kacharayanpatti, Villupuram District and in Kothagiri, Coimbatore district.

Concern was expressed about the escalated fertilizer and cattle feed price in recent years by the farmers.

The panel reflected that there is huge scope for collective farming and collective marketing using the SHG platform. The online marketing of vegetables is also picking up which the NGOs can experiment to support SHGs near urban areas. The panel also felt glad that most of the members placed request for technical support to expand their business.

The panel also shared that

- Financing of farm based livelihood through formal means is crucial
- The stakeholders should equip themselves with the knowledge on the present issues in agriculture at micro level and also advance themselves to support them through proper guidance and technological interventions
- Collaboration with Agriculture, horticulture, veterinary, fisheries and other departments/stakeholders is important to enhance farm based livelihoods
- Farming is always subjected to climatic risks for which suitable and affordable crop and livestock insurance products have to be developed.
- Markets ups and downs and resultant shocks can be mitigated to some extent by providing adequate storage and processing facilities.
- Ensuring entitlement to farm lands and addressing of land leasing problems that women/SHGs face is important to empower women in agriculture, socially and economically. A lot of changes in land reforms favoring women is hence needed

Impact: Collective farming, collective purchase of inputs and collective marketing of vegetables prevented exploitation by middlemen and also reduced the cost of cultivation

SUB GROUP DISCUSSION ON ISSUES AND CHALLENGES IN ENHANCING FARM BASED LIVELIHOODS

Post lunch, sub group discussions were held on issues and challenges faced by the community in sustaining farm based livelihoods. Each sub group took up specific issue and discussed upon it. The sub groups were also formed on linguistic basis and also around vital issues of farm based livelihoods such as land, technology applications, State schemes, access to credit/insurance, storage and marketing strategy to create a platform for sharing. The sub group discussion went on from 2.30 pm to 4.30 pm. The panel for this discussion is M.P.Vasimalai, Executive Director, DHAN Foundation, Mrs.V.K.Padmavathy,CEO, Kalanjiam Foundation, Mr.M.Kalyanasundaram, INAFI- India and Mr.Mohabatra, DGM, NABARD

The outcome of the sub group discussions are presented below:

ASSETS/LAND HOLDINGS

Farm Land holdings remain as an issue for availing many benefits. This was discussed in the subgroup and they came out with issues and recommendations to address the problem

Issues/challenges

- Most of the women farmers are landless with land holding either in the name of their spouse or as joint land holding in the name of eldest in the family
- Issues due to father and mother in laws which prevent them from right to property
- Land dispute issues between close relations, due to which women cannot even raise their voice/represent
- Only lands which are short of resources – lands with low productivity, which cannot be easily approached due to lack of pathway, without water/electricity facility, uneven lands with more stones etc. are often available for lease
- Land owners demanding more amount for leasing without proper lease agreement
- Legal issues in land leasing particularly in the name of SHGs

- Gender issues in property rights to women due to tradition/social norms

Suggestions

- Concession in registration fees and other charges when land is registered in the name of women
- Proper verification of land records while land registration/land leasing
- Land leasing must be done at least for a minimum span of three years
- For land that is barren and not reclaimed, it should be leased for five years and more
- When women purchase lands due to their own efforts, government should give proper concessions and facilities to them
- Easy and adequate loan facilities by bank/ relevant stakeholders if the land is in the name of women
- Providing Water and electricity facilities to land owned by women through government schemes.
- Legal rights for lands for a farmer who is cultivating waste land/barren land from time immemorial, which was not owned by anyone else

FARM INPUTS/ADOPTION OF NEW TECHNOLOGY

Farm inputs range from land used for cultivation, water, nutrients, insecticides for pest management, feed for cattle, organic manure etc., apart from finance. The issues relating to such farm inputs and suggestions to overcome them were given by the community which are presented below

Issues/challenges

- Low land productivity
- Improper agronomic practices leading to increased cost of cultivation and less production
- Rise in the cost of fertilizers, pesticides, cattle feeds
- Recent problem in supply of electricity, causing irrigation problems

- More frequent drought and poorly maintained water bodies like tanks, farm ponds etc., which prevents them from storing water to their full capacity
- Farmers still do not have good knowledge on use of fertilizers and pesticides (nutrient and pest management) which is exploited by parties with vested interest (fertilizer dealers/ private companies)
- New technologies in farming does not reach/adapted by all the farmers due to various reasons.
- Less use of organic manure and organic practices
- Growing labor problem

Suggestions

- Taking up proper land reclamation activities like summer ploughing, land leveling, proper tillage etc.,
- More importance to application of organic manure (farm yard manure, enriched farm yard manure, green manure, vermicompost) to sustain soil fertility and productivity
- Farmers should be educated and trained on soil testing and use of fertilizer accordingly.
- Soil testing services must be provided for each and every farm holds of small and marginal farmers at free of cost/subsidized rate
- All farm inputs to small and marginal farmers should be given at 50 % subsidy
- Adapting technology like SRI for paddy, 36 feet by 36 feet method of vegetable cultivation on mixed farming principle, drip irrigation where ever suitable and other low cost and easily adaptable technology.
- Combined management of water resources by community : maintenance of tanks and tank cascades, construction of farm ponds and community wells and following other water harvesting practices to use water effectively must be given due focus in our programs and policies.

- Promoting organic farming and Non-pesticide management to a larger extent to cut expenses
- Wage employment through MGNREGA scheme can be extended to cover labor works in the farm lands of small and marginal farmers.

GOVERNMENT SCHEMES FOR FARMERS

The departments like agriculture, horticulture, veterinary department, agricultural engineering department banks, NABARD and other stakeholders were discussed by a sub group. The different facilities like subsidies for seeds and other farm inputs, irrigation,, farm machineries, credit facilities, revolving fund for economic activity, support for formation of farmers field schools, trainings and subsidies for adapting a new technology was available which was discussed in the sub group. But they were often not at the reach of small and marginal farmers. The sub group discussed and came out with the issues and also with suggestions to solve this problem

Issues

- Lack of awareness among farmers regarding the existing schemes
- Lack of guidance from the concerned authorities, in accessing the benefits of the schemes, even when requested
- Government does not initiate proper steps to reach the availability of technology and schemes at the door step of farmers, through advertisement and other extension activities
- More number of documents has to be produced for availing a scheme benefit, which along with other problems causes a delay in realizing the benefits.
- Preference to some with vested interest, which creates an imbalance in availing the scheme benefits

Suggestions

- Training and capacity building to all farmers especially with focus on small and marginal farmers and SHG women, with complete details about the scheme and way of availing it.

- Brochures/leaflets regarding such schemes should be readily available at village level for any clarification
- Participation of officials from concerned departments in village level meetings like grama sabhas, meeting of CLG and such association of SHG members and other meetings
- Ensuring that all the schemes reach the needy without delay, through speedy action by relevant department with real concern for small and marginal farmers

FARM CREDIT

Finance and credit is a very important component to enhance farm based livelihood. The sub group discussion by the community came out with the following issues in availing credit and also some recommendations to solve the problem.

Issues

- Most of the members do not have knowledge on how to make a project report for availing the credit and subsidy for farm based livelihood or for initiation of any economic activity for that matter.
- Fear due to lack of technical knowledge on preparing such reports
- Confusion/lack of clarity regarding the supportive documents to be submitted for availing credit for livelihood activity
- More preference to men in extending agricultural credit
- Extension of credit after season is over (untimely credit) due to above reasons and delay on the part of the bank
- Members were made to run from pillar to post to avail such credit

Suggestions

- Training and capacity building on the different credit schemes of the banks and other stakeholders to be held on a regular basis
- Training for preparation of a project report or proposal for availing credit (from NRLM, NABARD, banks)

- Model project reports should be made available with the SHGs/farmers as a ready reference
- Ensuring timely and adequate credit facility for all farm based activities for which bank and other stakeholders should support
- Farm credit should be always be linked with appropriate crop/livestock insurance schemes
- Special savings by SHG members/farmers group for availing farm credit
- Differential rate of interest to farm credit to be extended by banks to individual farmers and also to SHG members
- Maximization of products like Kissan credit cards and extending this facility to SHGs
- Soft loan or revolving fund assistance to farm based livelihoods

CROP/LIVESTOCK INSURANCE

A sub group discussed about the issues in crop and livestock insurance and also came up with some suggestions which are presented below

Issues

- Crop insurance is done only if proper land records with clear title are available
- Crop insurance is not facilitated to leased lands
- Tailor made crop insurance products to suit the needs of different crops and contexts (irrigated/rainfed and gardenlands) is not available. Existing products cannot cater the need of all the farmers
- There are many farm machineries used from power sprayers, transplanting machine, harvestors which often gets repaired. Suitable insurance products for farm machineries are needed
- Livestock insurance has not picked up much due to high premium and issues in getting the claim. The tag on the ear of cattle often gets lost while grazing. Getting the certificate from a veterinary doctor on account of death of cattle/livestock is difficult

Suggestions

- Farmers do not know the importance of insurance. Capacity building and training regarding the different insurance schemes and also the claim settlement process is needed.
- This can be given using SHGs and farmers groups as platforms, advertisement in mass media, folk lore events and street plays
- Beneficiaries of the process should educate other farmers regarding the concept of insurance
- Making insurance mandatory for livestock, crops and also for human beings
- One insurance agent for a block to take care of crop and livestock insurance who must be always available at the service of farmers
- Insurance for post-harvest produce stored in godowns
- Products for insuring all farm machineries should be developed and must be at the reach of farmers
- Installing rain gauge at every 5 km radius to facilitate crop and weather based insurance schemes

HARVESTING AND POST HARVEST STORAGE

The issues in harvesting that came to focus and also some suggestions given by the committee during the sub group discussion was given below

Issues

- Labor shortage has become an important issue in ensuring timely harvest
- Lack of proper drying yards forcing people to dry their produce along roadside
- Facilities for sorting and grading is not available and even if available it was not practiced due to labor issues

- Since they lack market information, the farmers could not decide upon how long they can store for getting a good price, what value added products they can make etc.

Suggestions

- Government can support for laying drying yards
- Construction of storage godowns and processing units at village level where the production of farm produce is more and risk is high to prevent post-harvest damages
- Enough capacity building and training to farmers regarding the market potential of the crops they produce and also their value added products
- Facility for community managed godowns at local level can be provided by the policy makers

FARM PRODUCE MARKETING

The sub group discussion about issues in marketing was done and they came out with the following issues and suggestions

Issues in Marketing

- The price of farm produce is not in the hands of producers. It is like a child is given birth by one and the name of the child is given by someone else
- Knowing the right price of the produce remains always difficult for small and marginal farmers and SHG members, who were always kept ignorant about the market price by the middlemen
- Small and marginal farmers were not able to market their products directly to the wholesalers without the support of middlemen
- Local merchants/middlemen prevent merchants from other areas to enter into villages. Small farmers do not have adequate transport arrangements to take their produce to nearby market
- Farmers were not able to adapt new technologies which reduce the farm output and hence the profit

- Branding for the produce is done by merchants and wholesalers, which ensures higher margin and profit while small and marginal farmers were not able to do so
- Local merchants also use their influence when the small and marginal farmers try to market their produce directly
- The tendency among consumers to buy produce which are not produced/grown locally also is affecting the price of the produce
- Fluctuating price of agricultural commodity, whereby farmers cannot be sure about the income they can earn

Suggestions

- Establishment of farmers business schools (FBS) at village level to make farmers to think agriculture as a business
- Collective marketing of produce using SHGs, forming a exclusive social capital for farm based livelihood, contract farming and formation of crop based clusters and producer companies
- Market intelligence support by keeping technology at the reach of poor and also through regular capacity building of farmers to enhance their marketing skills
- Market information can be given to farmers through panchayat meetings

The extremely valuable inputs that came from the community was appreciated by the panel. However the panel felt that, this was only a beginning in right direction to address the issues in farm based livelihoods. This kind of discussion should continue to take concrete steps to uplift the rural poor depending of farming. Though some positive interventions of collective farming and technological improvement has happened here and there, it should be further scaled up to reach and benefit the entire community through appropriate strategy the panel felt.

Day 2 - 30.10.2012

CONFERENCE OF SUPPORTIVE STAKEHOLDERS

The second day conference had participation of different stakeholders involved in supporting farm based livelihoods, from officials from different departments like agriculture, horticulture, rural development departments, TNCWD, Pudhu Vaazhvu, Civil society organizations, NGOs, bankers and insurance companies. The proceedings of the second day are presented below

Shri M.Kalyanasundaram, Chief Executive, INAFI India - Welcome address:

Shri M Kalyanasundaram, Chief Executive of INAFI-India welcomed all the gathering who had been present for the two day Conference – first day was being Conference of Communities and second day being Conference of Supportive Stakeholders. He also mentioned that the first day conference of Communities was devoted to the small and marginal farmers/SHG members involved in promoting livelihoods in the farm based sector. They came out with the issues and challenges and also some valuable suggestions to improve farm based livelihoods. During his speech he also informed the gathering that the more important thing is sustaining the livelihood through enabling process. Both Government and civil societies/NGOs are in the process of enhancing livelihood in terms through proper support, but it is not sufficient. Mixed farming should be given priority for sustaining and improving farm based livelihood, he added. He also informed the gathering that community members/small and marginal farmers had put before us the issues and challenges faced by them and what type of support they expected from us. It is up to us to raise to the need and support them. He said that “we should take up the threads of the discussions which would set the real backdrop for the short and long term perspectives”.

While speaking about the credit facility to the community members/small and marginal farmers, he spoke that the problems coming in their way would be placed before the supportive stakeholders – Government, Bankers, Insurance Companies, etc. He pointed out that we should organize the women and farmers with small land holdings, who are part of the SHG eco to enhance farm based livelihood.

He extended a warm welcome to all the guests and dignitaries including Dr R.Vijayakumar, IAS, Chief Secretary, Planning & Rural Development Department, Government of Tamil Nadu, the joint host of the event Mrs. Amutha, IAS, MD, TNCDW, Mrs. Nirmala, IAS, Director, Food & Cooperation Dept, Other government officials, bankers and NGO representatives .

He also welcomed the Resource Persons who would be sharing their experiences, exchange of ideas and success stories of Pudhu Vaazhvu Thittam, DHAN Foundation, SKDRDP, CCD and Buldana Coop Society, also initiatives and innovations of RBI, Indian Bank, etc. He also mentioned that INAFI India, a development NGO is involved in addressing poverty through microfinance. Microfinance and livelihood is the major agenda of INAFI. He mentioned that Ms Padmavathy of Dhan Foundation would be sharing the consolidation of issues and challenges faced by the communities that came out during the 1st day, for the benefit of stakeholders who joined during the second day. He also shared that Shri Shanmugam, Secretary-Finance would be delivering the valedictory address in the Conference. Finally, he felt privileged to welcome all the members of INAFI and SHG members from PREM Odisha, Sanghamithra, Karnataka, SERP, Andhra Pradesh.

Development perspectives of Farm Based Livelihoods (Shri M.P.Vasimalai, ED, DHAN Foundation)

Mr.Vasimalai spoke about the Developmental perspective of farm based livelihoods. He said that the first day was real brain storming session in the Conference of Communities. He also pointed out that the farm based livelihoods should be narrowed down to three – core, secondary and tertiary activities. A selective approach is needed since agriculture is influenced by many factors. Enabling infrastructure for farm based livelihoods, financing farm based livelihoods and creating an infrastructure for marketing is most needed.

Establishing enabling infrastructure for farm based livelihoods

Elaborating on this Mr.Vasimalai said that, the existing MGNREGA can be effectively used to regenerate water bodies and ensuring wage employment in agriculture. Water is an important input that has to be given importance by way of conservation of tanks and other water bodies.

He made a special mention about the DHAN's water shed projects, which are really providing infrastructures for livelihoods. He informed the gathering

about the storage inadequacy for the farm products. In this respect, he apprised the farmers of Ramnad who have developed farm ponds with their own funds and successfully enhanced their farming operations.

Financing Farm based Livelihoods

Finance is another important factor that should be given priority in supporting farm based livelihoods and Mr.Vasimalai appreciated the community who expressed and brought lot of inputs for change in financing farm based activities. Agricultural credit portfolio Kissan credit card facility can be extended through SHGs Farming is also subjected to many risks, with cycles of surplus and deficit years. Appropriate crop insurance products have to be developed for risk absorption.

Infrastructure for Marketing

Mr.Vasimalai also stressed the need for creating an Infrastructure for Marketing. Crop based producer companies, value addition and processing of products at the local level, construction of godowns, up gradation of present village shandy's to higher level and other such collective efforts are needed. He also added that there is no "quick fix" solution for the present farm issues and they should be approached with a long term perspective.

Synthesis of Issues and Challenges in Farm Based Livelihoods as gleaned from Community Speak on 29.10.2012:

For the benefit of the stakeholders who did not attend the 1st Day Conference of Communities, Mrs.V.K.Padmavathi, CEO, Kalanjiam foundation shared the insights from community's presentation during the first day. The following are the insights derived from the 1st day conference

- Graduation of livelihood of small and marginal farmers/SHG members engaged in farm based activities had happened due to adoption of low cost and easily replicable technologies like SRI system of paddy cultivation, use of breeder seed, exchange of labor, Non-pesticide management (NPM), pit-tray method of nursery, construction of farm ponds etc.,
- Collective farming, collective purchase of inputs and collective marketing is emerging as practical approach for increasing farm based livelihood.

- Wherever there is an initiative for exclusive community based organization for enhancing farm based livelihoods, it has yielded results
- Capacity building of SHG members/small and marginal farmers has empowered them to take up collective initiatives to address farming issues.
- Local employment generation has also happened due to such interventions at smaller level

She also shared the issues regarding land holding, usage of farm inputs, gaps in using the existing government schemes, inadequacy of existing insurance products to meet the demands of the farmers, issues in farm credit, storage and post-harvest processing problems, labor shortage for farming activities and also the issues in marketing shared by the community.

Mrs.V.K.Padmavathi also highlighted the recommendations that came from the community which were highly relevant to the present context and will support the stakeholders to make clear decisions for enhancing farm based livelihoods

Dr R Vijayakumar, IAS, Additional Chief Secretary, Planning and Development Department, Government of Tamil Nadu – inaugural address:

Delivering his inaugural address Dr.Vijayakumar said that he was inspired by the presentation by Mrs.V.K.Padmavathi which was a reflection of grassroots issues in farming community. He said that livelihood does not mean not only income, but the entire transformation of farming and life of farming community. He shared the various initiatives by the state and central governments since independence in enhancing farm based livelihood, with specific focus on rural poverty and expressed his concern over that much of the issues remaining unresolved. The change should begin from village level and creating a suitable structure and environment to initiate such change matters much. "AMUL" model is one such intervention which has transformed the dairy activity profitable to all stakeholders involved and such context and need based models should be developed" he added. He stressed the need for intensification of the concept of Integrated farming system and use of waste lands effectively for millet cultivation. He felt that the agricultural universities and research institutes must work closer with

farming community for transfer of technology and to plan their research on need basis to create an enabling environment of implementation of effective farm technologies. He said organizing community through water shed approach and making them involved in the process can ensure effective use of land and water resources through collective approach. He appreciated the efforts of DHAN Foundation for proving the effectiveness of such model through its intervention. Dr.Vijayakumar said that the present government has initiated steps to provide infrastructural, communication and energy support to rural areas by way of solar housing schemes, ATMA project, cluster schemes in tribal areas etc.,

Speaking on the issues expressed by the community, land entitlements to landless and women is a touchy issue, which can be solved only by participation of public at large and SHGs can be a good vehicle to ensure land entitlements and tenancy rights. Dr.Viyakumar also agreed the severe deficiency farm input and service delivery through farm clinics, which has been initiated to ensure that farmers use right kind of inputs for farming and allied activities. He concluded his speech saying that projects with community involvement is the efficient way to address their livelihood issues.

Mrs Lalitha Venkatesan, CGM, NABARD - keynote address

In her key note address, she shared the various initiatives of NABARD in developing farm based livelihoods including the concept of SHGs bank linkage program, watershed projects, capacity building support through seminars/conferences/krishi melas and its research initiatives. She said that NABARD follows a "pool based approach" considering the need of the farmer instead of "push based approach" to support farmers in enhancing their livelihood activity. She expressed that the present challenge in farming is the migration of labors and farmers to non-farm activities, due to rapid urbanization and fragmentation of land holdings, which made agriculture not a lucrative option. The problems in farming can be resolved if all the stakeholders work together to provide support for improved technology, efficient use of resources, increasing the productivity, value adding the products and marketing them she added.

She also spoke about the recent initiatives of NABARD the micro-entrepreneurship development program for mature SHGs, through which 15000 SHGs and 45000 SHG members got benefited in the last seven years,

by undertaking many farm based and non-farm livelihood activities like back yard poultry, vermicompost, honey making etc., NABARD is also piloting the e-book keeping in SHGs, using mobile phone technology, which will help a great to maintain a database of SHG activities and also help in grading them for bank linkage. Another action research project SHG-2 program is piloted in Cuddalore and Trichy districts, for mature SHGs were the concept of voluntary savings, more dosage of credit, mapping the savings and expenditure pattern and resource plan for SHGs which NABARD hopes to take forward the SHG movement to next level.

Ms M.P.Nirmala, IAS, Secretary, Food and Cooperation Department, Government of Tamil Nadu – Special Address

In her provocative address Ms.Nirmala, straightway pointed out “the need for much more integration of different stake holders, government, SHGs, Cooperatives, NGOs and others who work for a common cause but with a divergent approach’. She said that cooperatives and SHGs both work on the principle of collective action by the community and there is no much difference even in their larger objectives. The public private partnership model is one way to ensure collaboration between government and other stakeholders. Like SHGs, cooperatives are promoting the concept of Joint liability groups (JLGs) which are predominantly male groups intended to meet the credit needs of small and marginal farmers and tenant farmers. She suggested that livelihood activities undertaken by SHGs/JLGs should be put to scrutiny for their correct functioning as followed for other individual lending done, to give proper guidance and ensure the profitability of the activity. Ms.Nirmala also said that “there is a growing recognition for millets, due to their rich nutritive value. Strategies to include and promote millets in farming and marketing will not only solve the problem of nutrition, but also of dairying as the stubbles of millets can be an excellent fodder for cattle. Farm productivity and dairy productivity can be enhanced through millet cultivation, which does not consume much water”.

BUSINESS SESSION

Organized livelihoods systems - Farm collectives/cooperatives, producer organizations/producer companies and linkage with supply and value chain:

The organizations involved in bringing a change in farm based livelihoods shared their experiences and achievements. The panel for these presentations was Dr. Santhosh Babu, IAS, Commissioner of Horticulture and Plantation crops, Government of Tamil Nadu, Mr. Mohapatra, DGM, NABARD and Mrs. A. Umarani, Program Leader, DHAN Foundation. Presented below is the gist of the presentations made.

Initiatives/experiences of DHAN Foundation - Mr. Ganesh, Team Leader

Mr. Ganesh shared about the two initiatives of DHAN Foundation, the promotion of SAMAGRI (INDIA) producer company for marketing of vegetables and the formation of Kalanjiam Milk Producer, Company, Limited (KAMCOL) for procurement, processing and marketing of milk. He touched on the issues in size of land holdings (82 % of land owned by small farmers), productivity and market issues which have a negative impact on the lives of small and marginal farmers and landless agricultural laborers. Mr. Ganesh said that to impact the livelihood of small and marginal farmers, the intervention is planned on collective farming and marketing of vegetables initially since it offered a high scope of benefiting them, as the demand is high but the market benefits are largely reaped by middlemen. He shared that horticultural groups of 15-20 members were formed in villages initially. Later 20 to 25 such groups were organized into a Horticulture Association. 10 to 12 such horticultural associations were merged to form a producer company. Tie up of horticultural groups to commercial banks and the producer company to Apex bank was ensured for flow of credit for collective farming and marketing. A lot of training and capacity building through farm field schools, exposure visits, demonstrations and farmers convention was held to enable the farmers to collectively produce and market their produce. Ganesh also shared the future plan of SAMAGRI producer company so formed which currently has 600 members, plans to increase its member strength to 3000 by another 3 years span he added. SAMAGRI has initiated a vegetable and fruits super market called

“thottam” in Sholinganallur, Chennai and also plans for super market chain, Vegetable Kiosks and Mobile marketing in near future.

Then he shared about the dairy initiative, where the poor rural woman who have one to three cows were organized to form a Dairy producer group of their own, with the support of Kalanjiam federations across the state of Tamil Nadu, which later graduated to KAMCOL.

Initiatives/experiences of Phudhu Vaazhvu Thittam, Government of Tamil Nadu - Ms. Shajeevana, Additional Project Director

She shared initiatives for creating the “organized livelihood systems” through Pudhu Vazhu, a World Bank project which adopts community driven approach through pro-poor community organizations. She expressed that to impact livelihoods, mapping of the existing scenario through “Livelihood mapping” is done, followed by capacity building on need basis to form “Common Livelihood Groups”(CLGs) which are given appropriate credit, capacity building, infrastructure, insurance and other supports. A federation of CLGs also was formed for backward linkage (input supply, Technology, credit, value addition and forward linkage (Marketing support). As farm based livelihoods are quite diverse support is given for raising cattle, agriculture, poultry, goat rearing and fishing. She shared that 2039 CLGs and SHGs in farm based activities were formed, 77650 HH are involved and 94459 acres of land are under cultivation through the initiatives of the Pudhu Vazhvu project. Superior bucks, breed better goats to enhance income through rearing, backyard poultry inland fisheries were promoted and adequate capacity building support and credit is ensured with the support of other stakeholders. Integrated farming activities and fish culture through natural manuring taken up in Cuddalore yielded good returns. Ms. Shanjeevana noted that good impacts can be seen through all the above collective activities, which is able to address large extent the problems of poor small and marginal farmers.

Initiatives/experiences of SKDRDP, Karnataka - Ms.Manorama Bhatt, Director of Training

Presenting the intervention by SHRI Kshethra Dharmasthala Rural Development Project (R), Dharmasthala, Ms.Manorama Bhatt spoke about crop based agricultural development programs for Commercial crops, Food crops, Pulses and oil seeds, Vegetables and Spices for each of which

separate groups were formed to cover the farm families, integrated farming system which involved the concept of drought proofing, pragadhi bandhu group for labor sharing and animal husbandry. She also spoke about allied activities like bee keeping, poultry rearing, water resource development and support to non-farm sector. The common feature in all these interventions were collective efforts through 6-10 member groups of SHGs/Pragathi Bandhu which were federated at village level comprising of 25 to 30 groups. The federation is a informal structure where no financial activity will take place but will assist the groups for collective action at village level. The 30916 Pragadhi Bandhu groups where exchange of labor are taking place has benefited 1,93,620 families and the labor exchange mandays amounts to over 10,00,000 mandays. Over seven crores has been distributed as credit through the microfinance program for all the agricultural interventions done by SKDRDP. Apart from this SKDRDP is working for watershed development, environmental protection, farm mechanization and for providing agricultural extension services. A five Year plan for Socio – Economic or integrated development of a family with respect to agriculture Development, water Sources Development, land Development, iInfrastructure Development and other allied activities is done, which are broken up into one year plans based on which all the activities were carried out by SKDRDP.

Initiaves/experiences of Center for collective development, Andrapradesh - Mr. Mohan Onteddu

Mr.Mohan Onteddu in his lively presentation narrated the efforts of Center for Collective Development (CCD) in collective processing and marketing of groundnut, the hurdles faced by them and how they overcome them by changing their strategy. Initiated in 2005 in Anathapur District, which has 3-4 drought years in a five year cycle, the plight of farmers engaged predominantly in groundnut cultivation were pathetic. The CCD organized the farmers to set up a cooperative and set up a groundnut decorticator unit which had the capacity of processing only 0.5 tonnes/hour. The effort ended in a failure since they cannot compete with merchants who had bigger machineries for processing more quantity, while CCD took 15 days to process one load. So they scrapped the processing of groundnut and started facilitating the groundnut growers for collective marketing. Nine such cooperatives were formed and they were integrated them into a federation. NABARD gave the financial support for initiative, however the registration of

cooperatives and getting the support of District industrial center remained as a herculian effort. He shared strange experience of dealing with DIC what was supposed to be a single window delivery system practically had " many windows" and CCD has good run of errands. The experience reflected the hurdles that development organization has to undergo in the present circumstances in getting government clearances/support and also how they can effectively overcome those hurdles through constant efforts.

Reflecting on the presentation Dr.Santhosh Babu, IAS, Commissioner of Horticulture and Plantation crops, Government of Tamil Nadu, lauded DHANs effort in organizing farmers for collective marketing of vegetables through " thottam" a community owned super market and its dairy initiative, which shows the strength of SHGs. He also said that farmers and consumers should be linked through such organic ways, cutting middlemen for their mutual benefit. Currently different government departments work in "silos" and they should take integrate among themselves and with other stakeholders for benefit of farm community. He appreciated the efforts of Pudhu vazhvu and SKDRDP in organizing farmers to address the farm issues collectively. Touching on the issue of government support he said they can be overcome by proper use of technology and making all facilities available through online, which will save time, effort and also ensure transparency in the process. He said that "The Best friend for a poor man is a computer with a connectivity" which can address all his problems effectively.

Mr.Mohapatra, NABARD said that farm based livelihood can be enhanced if all the stakeholders work with common interest and goals. This will ensure a win-win situation for all by ultimately benefiting the farmers. Value addition is very important as also providing marketing support, he added.

Mrs. Umarani said all the presentations of which 3 were private initiatives and one by the government, gave a variety of inputs which the participants can effectively use to support the livelihood of people dependent on farming either directly or indirectly. Different models, cooperative model, producer company model, CLG model and an informal model for addressing farm issues came through the presentations, which can be adopted based on the context and local needs. The presentations revealed that capacity building, technology transfer, finance and community oriented approach are the key for development of livelihood. She also had a word of caution that the

different stakeholders should not confuse the community, but act with clear understanding of their roles and responsibilities in executing their duty.

Initiatives, Innovations and Issues/Challenges in Livelihood financing

The afternoon session had presentations from bankers and a cooperative credit institution who shared about their efforts and initiatives in financing farm based livelihood activities, rural financing and financing SHGs. The brief of those presentations are given below.

Policy initiatives of RBI for financing farm based livelihoods - Mr. Brij Raj, Deputy General Manager

Presenting the RBI's Revised Priority Sector Guidelines - Focus on Direct and Indirect Finance" Mr. Brij raj, stated that RBI has stipulated the banks to finance 18% of their loans towards agricultural credit. RBI also has made clear that what type of funding can be given for what type of livelihood activity in its recent guidelines. The overall target under priority sector is retained at 40% as suggested by the Nair Committee. The targets under both direct and indirect agriculture are retained at 13.5% and 4.5% respectively. The focus of the guidelines is on direct agricultural lending to individuals, Self Help Groups (SHGs) and Joint Liability Groups (JLGs) he added. He also said that lending to agriculture is not only the priority of public sector banks and the private banks including the foreign banks were asked to prioritize their lending to farming sector. Targets for foreign banks with less than 20 branches is fixed as 32% and foreign banks with 20 or more branches being mandated to attain a target of 40% with respect to priority lending.

The priority sector lending includes, lending to almost all activities under direct agriculture and loans to indirect agriculture such as loans to firms/corporate engaged in agriculture and allied activities. He stated that the recent amendments came into force from July 20, 2012 and now being operationalized. The banks should keep in mind the win-win situation and not on a charitable basis he stressed.

Initiatives and innovative schemes of Indian Overseas Bank – Shri Thiruvavukkarasu, DGM, SLBC Convenor and Shri Bandopadhyay, AGM

Dwelling upon the initiatives and innovative schemes of lending of IOB in accelerating credit flow to the farm sector, particular mention was made about the unique scheme for financing fisher women upto a limit of 10 lalkhs for an individual or group basis to support the larger eco system of marine fishing and also inland fishing in the wetlands. Shri Bandopadhyay also talked about the unique schemes evolved by the Bank for supporting women engaged in agriculture both for land based as well as allied activities for enhancing their livelihoods and income. IOB being SLBC convenor in Tamil Nadu would be keen to promote credit flow from the Banking system in the State of Tamil Nadu and expressed their willingness to work with the Government and NGOs in this task.

Initiatives and innovative schemes of Indian Bank - Mr. M.Balakrishnan, DGM

In his presentation Mr.Balakrishnan said that land, labor, capital and organization are very important for any livelihood interventions, the other factors may keep changing and the "capital" will remain constant and crucial for any activity. The banks play a major role in ensuring the supply of this capital. The banking reforms, changes in delivery systems are happening to keep in tune with the changing needs through innovation and RBI plays a regulatory role in ensuring fair banking practices. Indian Bank Microsat branch for rural financing through SHGs is one such innovation to enable SHGs to get hassle free credit. The project was first piloted in Chetpet, Chennai which was the only urban branch and later 44 such branches were opened in rural areas exclusively to cater the needs of SHGs. So far they have given 2400 crores as credit and ensued 95 -100 % repayment in all the branches. But Balakrishnan expressed concerned over the declining repayment percentage in the SHG sector as a whole which is placed at 86 %.

Besides this, he also shared the initiatives of Indian Bank to form specialized agricultural finance branches and micro credit Kendra's in agricultural intensive areas through which finance for raising crops, Gramin Mahila Sowbhakya scheme, Rural housing and Vidhya shoba scheme (for education) were given. He concluded stating that in this financial inclusion era, the

delivery services has improved through mobile banking solutions, ultra smart cards and business correspondence model which has enabled the reach of banking services even to remote villages.

Initiatives and innovative schemes of Buldana Urban Cooperative, Maharashtra - Dr. Sukesh Zamwar, CEO

Buldana Urban cooperative credit union is the part of Association of Asian Confederation of Credit Union in which there are many member countries of which 12 countries are regular members. Dr. Sukesh zamwar shared that Buldana cooperative credit bank was a billion dollar cooperative credit society which works with the principle of people's money should be utilized for wellbeing of people. The majority of the loan is given against gold or warehouse deposits, which ensures maximum security for the loan given he added. the gold loan issued stands at 150 million usd(at peak) and ware house loan 150 million USD(at peak). The other loans given were term loans, cash credit loans, personal loan,crop loan, vehicle loan, credit card loan, loan against LIC Bonds, Fixed deposits, debentures and other instruments. The bank has a deposit of 500 million US dollors, 450 branches and over 5,00,000 members. The NPA of the cooperative was over 6 % in 2006 and which is currently kept at 2.2 %, by following stringent measures to ensure repayment. Dr. Sukesh Zamwar shared with pride that Buldana stands on four pillars of depositors money, refinance by banks on our portfolios, direct financing by banks through our branch and human network and service sector pillar that includes ATM, debit cards, and DD commission, revenue by bhaktniwas, hostels etc., The success of Buldana in servicing farmers is ensured through loans for cultivating the crop through gold loans and also postharvest loans on the produce stored in their warehouses. The farmers can store their harvested produce, if the market price is low, get loan over the produce and close the gold loan. Latter they can sell the produce when the market is favorable and close the warehouse loan. To facilitate this Buldana urban credit cooperative society has more than 300 ware houses, and each of the branch is connected with a warehouse. The warehouses can store 450000 MT of produce he added. He also shared the social initiatives of the society like education services through schools, hostel facilities, mobile van for health services etc. This sharing reflected that cooperatives can run very successfully if properly managed by adopting appropriate strategies

VALEDICTORY

Shri N.S.Vishwanathan, Regional Director, RBI, Chennai

N.S.Vishwanathan began his keynote address stating the gap between the contribution of agriculture to the national GDP and the work force actually involved in agriculture which remains at 14 % and 55 % which is the root cause of problems in agriculture. Ensuring formal farm credit is another crucial factor for growth of agricultural economy, which RBI is giving foremost importance in all its policies. The financial inclusion concept, business correspondent model, service area approach, stressing banks to open 25 % of its new branches in rural areas even without intimating RBI in advance and incentive/ punitive measures of RBI on banks favoring their activities towards the rural areas and reaching the poor are some of the steps initiated by RBI to ensure delivery of credit services to the needy he added.

N.S.Viswanathan also expressed that the kissan credit card concept which makes transactions easy can be effectively used by farmers which not put to full use currently. For inclusive growth RBI is also taking up efforts to create financial literacy by way of rural training centers, mobile vans and other means with the support of banks. RBI is also stressing banks to upgrade to latest technologies which are affordable to the people and also a commercially viable option for banks and not merely as a social obligation. RBI has stipulated that all villages below the population of 2000 must be brought under business correspondent model.

Concluding his speech Mr.N.S.Viswanathan said "Agriculture must grow very much from the present state and all the stakeholders hence must put their thoughts and head together beyond livelihood"

Shri K.S. Shanmugam, Principal Secretary, Finance Department, Govt. of Tamil Nadu - Valedictory address

I am delighted to be here as part of this valedictory function on this occasion of national seminar on farm based livelihood. I congratulate INAFI and DHAN for taking this initiative and aptly choosing the topic which is very much relevant in the present context of 12th FYP focus on inclusive growth. With more than 40 % of workforce in agriculture which contributes only 8.77% to GSDP in Tamil Nadu, the objective of achieving inclusive growth is

impossible without substantial increase in the income of the rural households.

2) Top down approach of economic development through overall growth strategy has its serious limitation to achieve equity in economic prosperity especially in agriculture where the extension system is not robust and effective. On the other hand we need to follow bottom up approach so that the micro level interventions at farm level produce unfailing results at macro level. This is the reason why we introduced the farm level intervention as a new policy thrust and strategy in our budget document to improve farm income and productivity and to mitigate poverty. As the problems relate to poverty and farm productivity is so complex, standard models seldom produce desired results. Rather we need to give a more flexible approach for each family and provide sustained support and guidance till they crossover the thresh hold.

3) Our State is having 81.92 lakhs holdings of which 62.27 lakhs holdings are marginal holdings and 12.34 lakhs holdings are small holdings constituting together 92.29% of the holdings. They cover an extent of 60 % of the cultivated area. Our focus is only on these holdings as they need the intervention in all respects. I therefore comment upon the foresight of INAFI and DHAN for rightly addressing these issues. As the deliberations yesterday and today would have thrown lights on many successful and innovative models to deal with such complex farm related challenges, I will be immensely pleased to take the message forward in our future policies and programmes for up scaling it up. Meantime, I do appreciate the enormous problem we are likely to face in such scaling up the model of pilot implementation in a controlled environment, to a totally uncontrolled field condition at district or State level.

4) Effective farm level intervention is possible only if we appreciate the farm level problems correctly. Several studies and your own experiences shows that the inherent problem especially with the target group we are dealing with are unviable holdings leading to unemployment and underemployment, lack of access to resources like water, technology and credit, depriving the benefit of value addition by not being a part of supply

chain, lack of social networks to enhance their bargaining ability and operational capability, lack of reliable risk mitigation mechanism to overcome price or weather related risks and so on. These issues can be addressed effectively if our focus is on farm productivity, diversification and farmers being the part of value chain and sustainability. Let us look at these issues now.

5) Productivity of crops and productivity of farm plays, a crucial role in enhancing the farm income. In our context, productivity is still a significant factor, as our crop productivity has great scope for further improvement. Take for instance rice. Paddy is cultivated over 40 million ha., in India against the global paddy area of 158.83 million ha. This is about 27%. But our production is only 95 million tonnes against the global rice production of 460 million tonnes. In other words, with 27 % of the area, we could produce only 20% of the global production. This is because our productivity of rice is just 3.36 tonnes per ha which is well below the world average productivity of 4.25 tonnes. At this global average productivity, we could produce an additional 27 million tonnes of rice which is 25% increase over the present production without increasing the present acreage under cultivation. Likewise, by achieving global average productivity we can increase our production of cotton by 40% and in groundnut by 45% without increasing the present cultivated area. This can be repeated in almost all the crops. When we face the greatest challenge of the cultivate area being the limiting the factor, there is no scope for increasing the area under cultivation without compromising the area under competing crops. What could be a better strategy in agriculture is to simply focusing our effort to close the yield gaps for achieving higher production. Thus the farm livelihood issues can't be effectively addressed in exclusion of targeting productivity in crop husbandry.

6) What we can do to improve our productivity? We should ensure that our farmers adopt the appropriate technology, which has proved its worth in the field condition. Like SRI in paddy, SSI in sugarcane, precision farming in cotton and other commercial crops, poly-house or shade net cultivation of vegetables, high density planting in fruits etc., Most important measure should be in popularising the use of hybrid and HYV seeds, judicious and appropriate use of other inputs like pesticides and fertilizers, institutionalising farmers group for enhancing credit flow, particularly for

yield enhancing investment activities like micro irrigation, adopting insurance as a risk mitigation measures so on. Efforts should be on cost reduction like collective farming and promoting the collective ownership of farm machineries and its use to overcome the labour shortages. Ultimately the soil health has to be preserved and through appropriate agronomic practices and technology, the yield has to be increased by keeping a control on the cost on a sustainable basis.

7) Next is diversification, which may in crops like the combination of food crops, commercial crops, horticulture crops like fruits, vegetables, flowers depending on the resource level or it may be by mixing crop husbandry with animal husbandry or fisheries or farm forestry, etc. Diversification should also be on the source of income. There should be a gradual shift in the employment from agriculture to secondary and tertiary or service sector to achieve diversification of income source to the families in rural area as a measure of long-term sustainability of their livelihood opportunities. There is a need to promote farmers collectives to take processing and marketing of farm produce so that farmers will be part of the value chain to reap the supply chain benefits. This will also create additional employment in manufacturing and service activities within the rural areas. Dispersal of industries like food processing will negate the ill effects of urban migration of rural people, seeking for employment and better livelihood opportunities in cities.

8) Thirdly, as I already mentioned, farms should necessarily a part of the supply chain so that the benefit of value addition can be shared by the farmers. This will greatly reduce the on farm and off farm post-harvest wastages. Problems like distress sale can also be countered if we step up the level of processing in agricultural commodities especially if they are perishable. Unfortunately the level of processing, for instance in fruits and vegetables in India is only 1.3% compared to 80% in USA and 27% in China. Similarly post-harvest losses in durable agricultural commodities is 10% and in semi perishables, perishables it is 15% and 20% respectively. The value on account of post-harvest losses is roughly Rs.31,000 crores. Therefore when we think of farm livelihood we have to look into these problems and come out with an innovative models on networking, contract farming, farm collectives, farmers co-operatives, producer companies, etc., to link farm with market and processing centres through a series of

infrastructure like collection, grading, packaging centres, storage including cold storage facilities, safe and efficient transport system, etc. This will bring sustainability in farm operations by reducing wastages and link producer with consumers effectively thereby solving the lingering problems related to widening difference in the farm-gate price and price at consumer level.

9) Next most important issue is sustainability. Several experiments have been conducted by various NGOs on farm sustainability on range of issues. There are experiments on controlling cost on farm inputs especially on fertilizers, pesticides and insecticides. Work related to in-situ soil fertility management, vermi-composts are also available. But these experiments have to be adopted widely. Soil management, water management, better agronomic practices to reduce cost and preserve the productive capacity of the soil is very important. Further sustainability in farm livelihood is meaningful only if farm diversification is adopted with full vigour. Adequate credit support and crop insurance should be part of our strategy in the sustainable farm livelihood model. Social mobilisation, strengthening support institution, price and weather mitigation and crisis management should all be part of that. This will mitigate the economic risk of the farmers to a great extent. All such experiments have happened in an isolated way. Now it is necessary to integrate it. I hope this workshop will pave way for this. Further this forum has created an environment to look at the farm development in an holistic way. Let me look at the other side of the farm economics as well. Farm level livelihood improvement is possible only if we take care of the health, education aspects, besides income.

10) Before I conclude my speech let us think for a while on what we are going to carry forward from here. Some of the innovative and successful model needs to be framed into programmes and policies for wider application by up scaling at district and State level. I can assure in this forum that we will do it meticulously so that the purpose of our experiment succeeds. At the same time, I request that your effort in experimenting new ways of improving farm livelihood should continue, so that we keep adopting new and innovative ways to ensure that the inclusive growth, faster and balanced development is achieved in the Twelfth Five Year plan period.

Summing up:

Ms. Shajeevana expressed that the two day conference is a good beginning and the presentations made came up with crystallized issues and also suggestions for solving those issues. She expected that the process should continue and an action matrix should be developed by forming a working group. She also suggested that the KCC facility can be extended to women farmers.

Mr.Vasimalai in his concluding remarks stated that a long term investment is needed to solve the farming issues. He also stressed that a working group has to be formed for sustaining this effort.

Mr. Manohar Singh, Additional Director, (Livelihoods), Tamil Nadu Corporation for Women Development delivered the vote of thanks.

ISSUES AND INSIGHTS FROM COMMUNITY SPEAK:

Assets/Land :

- Fragmentation of land and resultant small size of farm holding is the biggest problem which has escalated the cost of cultivation on one hand and which impacts economic scale.
- Entitlement for women engaged in agriculture for land shall remain as major issue, which may have a negative effect on meeting the credit needs of SHGs members through NRLM or any other financing institutions that lends to SHGs.
- Land leasing continue to remain as a problem due to lack of enabling legal framework.

Farm Inputs:

- Small/marginal farmer's knowledge on crop production with respect to fertilizer, pesticide and herbicide application, usage of cattle field is limited/inadequate and they were not able to take uniform decisions. Always they rely on the words of the input supplier (mostly the fertilizer dealer) who often mislead the farmers, leading to increase in cost of cultivation.)
- Indiscriminate and continuous use of fertilizers and pesticides without proper knowledge has created a negative impact on productivity and quality of the produce
- Price of fertilizers has increased many folds. People felt that there is no strong recommendation to government regarding this price issue.

Training and Capacity Building

- Capacity building and trainings through SHGs has led to definite positive change in farm based livelihood. Yet the full potential of SHGs is not utilized so that it can benefit all families engaged in agriculture and allied activities. A proper system has to be created for capacity building regarding farm based livelihoods

Technology Adoption

- Low cost and easily adaptable technological intervention in farming was done by SHGs. e.g., SRI method of paddy cultivation, using breeder seed for better yields, pit-tray nursery cultivation as a livelihood opportunity, effective use of fragmented rainfed lands through farm ponds, exchange of labor to solve the growing labor problem, ridges and furrow method of cultivation, reviving traditional agricultural crops and practices that were beneficial and organic farming
- Yet mostly technology is often pro-rich and out of reach of small and marginal farmers who remains excluded and isolated due to lack of proper system to include them in dissemination and adoption of new effective farm technologies.

Risks in Farming

- Farming depends on many external factors which are uncontrollable like weather/climate, floods and droughts, insufficient and untimely rains. Risk mitigation remains as another biggest challenge for want of appropriate and affordable crop and livestock insurance schemes.
- There is no full- fledged adaptation of existing insurance schemes. Though insurance schemes are linked with farm credit, even all the farmers who avail farm credit were not fully covered.
- There is delay in claim settlement, since it was after crop cutting experiments which forms the basis for claims. Also farmers face difficulty in getting necessary documents, requested by insurance companies due to field level problems.

Farm Credit

- Timely (ensuring credit during the beginning of crop season) and adequate credit (to meet the cultivation cost) is still out of reach of farmers
- Credit facility is mostly availed by big farmers and the small, marginal and tenant farmers face difficulty in getting farm credit.

Accessing Government schemes

- Lack of awareness among farmers regarding the existing schemes
- Lack of guidance from the concerned authorities in obtaining the schemes, even when requested
- Lack of access to technology and schemes at the door steps of farmers.
- More number of documents has to be produced for availing a scheme benefit, which along with other problems causes a delay in realizing the benefits.
- Preference to some with vested interest, which creates an imbalance in availing the scheme benefits

Collective farming and marketing

- SHGs has provided a platform for enhancement of farm based livelihoods, through collective approach, as evident through success stories of collective farming, collective purchase of inputs, collective market etc., but it has to be further scaled up by creating many support systems.
- .Economics of scale is very important in collective approach to enhance farm based livelihood
- Crop based collective approach and also village based approach (based on the need) can support farm based livelihood.
- Collective farming and marketing has enabled creation of wage employment to farm families to some extent.

Market issues

- Price of agricultural produce fluctuates very much, causing problems in marketing
- Market intelligence support is much needed to small and marginal farmers, who always remain excluded from the supply chain, which is the main reason for exploitation by middle men.

Migration and Labor issues

- Migration of youth from villages to towns, urban and semi urban areas on search of better employment opportunity, is raising a concern on the future of farming and agriculture based livelihoods
- Demand for labor has increased off late for lack/reluctance of youth to engage in farming activities. MNNREGA program also has compounded the labor issue, since the labors prefer NREGA works rather than farm works.

Policy Recommendations

Assets/Land :

- Concession on registration fees for lands registered in the name of women, to facilitate entitlement of land holdings in the name of women
- Legal environment to facilitate land leasing without any harm to either of the parties involved
- Facilitate land leasing in the name of SHG/producer or livelihood groups
- Credit for purchase of agricultural land by landless agricultural laborer

Farm Inputs:

- Counseling cum Service centers through Public Private Partnership: Counseling cum service centers can be established at block level to facilitate farmers to purchase right inputs at right price.
- Soil test based nutrient application can be facilitated by the above center.
- Price of fertilizers has risen at an alarming rate. Though integrated nutrient management principles are there, it is not widely followed. Farmers can be taught to adapt nutrient saving technologies to reduce the input cost.

- Combined management of water resources by community : maintenance of tanks and tank cascades, construction of farm ponds and community wells and following other water harvesting practices to use water effectively must be given due focus in State programs and policies.
- Enabling infrastructure for farm based livelihoods like using existing NREGA program to regenerate water bodies and create wage employment, integrating watershed programs with soil fertility management etc.,

Training and Capacity Building/Technology adoption

- Establishing Farmers Business schools instead of farmers field schools to empower farmers to do agriculture as a business
- Technology and information should be made available at the door step of farmers. SHG and other farmers group can be effectively utilized by giving proper training. Inclusive growth in villages will happen only then.
- Collective farming will facilitate widespread adaptation of a new technology at a faster rate.
- The above can be ensured through PPP model

Risks in Farming

- Tailor made products for crop, livestock and insurance of farm machineries. Government subsidy is available for group life insurance products like JBY. Similar support must be given to make crop, livestock and farm machinery insurance at subsidized rate.
- Education regarding crop/livestock insurance and its importance and other risk mitigation strategies should be given to farmers.

Farm Credit

- Creating a credit infrastructure at the community/village level so that timely and adequate credit is available to farm based livelihood.
- Timely and adequate Farm credit can be ensured if SHGs were used as a platform and the policies of the banks support such a change. Banks

can extended their agricultural loan through SHGs/JLGs and exclusive institutions formed by communities for enhancing farm based livelihoods.

- Since livelihood intervention is more likely to absorb more investment the ceiling limit for SHG loans can be revised from Rs50000 to Rs100000 for farm based livelihood activity at the individual level.
- Products like Special savings for livelihood to facilitate such higher lending can be evolved.
- Differential rate of interest to agricultural credit availed by SHGs/ also for members within SHG
- Kissan credit cards can be extended to SHG members/SHGs/ engaged in farming

Accessing Government Schemes

- Training and capacity building to all farmers especially with focus on small and marginal farmers and SHG women, with complete details about the scheme and way of availing it.
- Brochures/leaflets regarding such schemes should be readily available at village level for any clarification
- Participation of officials from concerned departments in village level meetings like grama sabhas, meeting of CLG and such association of SHG members and other meetings
- Ensuring that all the schemes reach the needy without delay, through speedy action by relevant department with real concern for small and marginal farmers

Collective farming and marketing

- Small size of holdings is the major cause of reduction in productivity and profitability through farm based activities. Creating a strong exclusive social capital at different levels, which are either crop based or village based to facilitate collective farming and collective marketing is crucial. This will also ensure resource use efficiency for reaping maximum benefits, which is essential considering the presence

situation of non-fertile lands, less water available and increasing cost of other external inputs.

- Creation of context based exclusive farm models depending on the existing resource availability and need of the people with focus on optimum resource utilization and long term sustainability is the need of the hour
- Collective farming is possible through contract farming and creating a nested institution of exclusively for farm based livelihood support like producer companies and through cooperatives. Crop based/village based groups and producer companies can be formed to support this process.

Market issues

- Decentralization of storage godowns at door step of farmers can be thought off. The concept of Community managed godown's can be promoted. Existing primary agricultural cooperative credit societies can also be made use of for this purpose which can provide warehousing facility and also loans against the product stored.
- There is no post-harvest processing support which leads to wastage of farm produce and also affects the price of the produce during over production. To mitigate this cold storage support for perishable commodities, value addition and processing of farm produce at village level etc. need to be established.
- Collective farming and marketing will pave way for farmers to market their produce directly to wholesaler's and even in retail, avoiding the problem of middlemen.
- Every farmer in the village should be made aware of the large scale market and day to day market price of the crop they cultivate through proper training and adoption of technology to the maximum extent.

Migration and Labor issues

- MGNREGA program can be linked to provide labor for small and marginal farmers

- The increasing labor problem pays ways for innovation and new business opportunities like organized supply of services like common vegetable nursery raising in vegetable intensive villages, collective paddy nursery raising and transplantation services through paddy transplanting machine through pre-order. This will also enable quick adaptation of technology like SRI by all farmers. Similar such innovative services can be created depending on the local needs. Supplying of farm labor through organized way is another business opportunity.
- Diversification of employment at village level which can be a secondary or tertiary non-farm employment based on local needs, will help to prevent migration of youth to urban areas.

A long term collective approach involving appropriate strategy is needed to address farm based livelihood issues. Context and area specific approach with real passion and concern, involving all stakeholders, state and central governments, NGOs, Banks, Insurance companies, Research institutions and private actors who depend on agriculture will make the farm livelihoods a vibrant one, which will enable greatly to reduce rural poverty.

About Tamil Nadu Corporation for Development of Women(TNCDW)



TNCDW is an exclusive State Government body created for organizing poor women as self-help groups for socio-economic empowerment. The corporation is endeavouring to bring about the social change through the SHG movement and works towards bringing poor women particularly widows, destitute and marginalized under the SHG fold.

The Corporation is striving to promote and enhance livelihood opportunities among SHG women by converging Mahalir Thittam and SGSY implementation. Strengthening the Federations of Self help groups is the key to achieving sustainability in the long run. TNCDW's vision is to build strong and self reliant SHG federations at the Village Panchayat, Block and district levels throughout the State. Nearly 6 million women are members of the self-help groups promoted and piloted by the Tamil Nadu Government.

About Pudhu Vaazhvu Thittam of Government of Tamil Nadu



Pudhu Vaazhvu Thittam is an empowerment and poverty reduction project implemented by the Rural Development and Panchayat Raj Department of Government of Tamil Nadu with World Bank assistance. The target population of this Project is the poor households, the most vulnerable sections including the differently abled and the marginalized communities. The project follows the CDD approach wherein village communities identify their own needs, design and plan interventions and implement with the objective of improving the livelihoods, developing and strengthening pro-poor local institutions at the village level and building the skills and capacities of the poor.

About DHAN Foundation



DHAN Foundation is a professional development organisation engaged in addressing multiple dimensions of poverty through multi faceted thematic interventions in different contexts - rural, tribal, urban and coastal. It is reaching more than a million families across 12 States in India through community based field programs such as (i) community banking programme (microfinance) through self-help groups and their federations and (ii) tank-fed agriculture development programme for rebuilding small-scale reservoirs spread across the countryside. DHAN is also working intensively on making rainfed agriculture more remunerative; information technology serve the poor; and democratizing Panchayats (local governance) through local action. DHAN works in collaboration with mainstream government, Commercial Banks, Insurance Companies and business organizations.

About Inafi India



Inafi India (International Network of Alternative Financial Institutions) is a network of Development NGOs involved in enabling and supporting micro finance programmes/livelihood interventions of the member organizations in India. Inafi India is affiliated to global network of Inafi and being country chapter of Inafi network is working on the vision of Inafi for development with dignity for poor and enabling access to basic services including financial services in India. The collective outreach of members is more than 7 millions across the states. Inafi India **spearheads the SHG bank linkage** and financial inclusion. Building the microfinance sector/capacity building programmes for members and policy advocacy for pro poor microfinance services are the twin mandate of the Inafi India.

TamilNadu Corporation for Development of Women & Pudhu Vaazhvu Thittam

Government of Tamil Nadu
Mother Teresa Women's Complex
I floor, Valluvar Kottam High Road,
Nungambakkam, Chennai - 600 034.
E-mail: tncdw@tn.nic.in, tncdwho@yahoo.co.in
Tel: 044-28173412 Fax: 044-28173409

DHAN Foundation

(Development of Humane Action)
18, Pillaiyar Koil Street, S.S. Colony
Madurai - 625 016. Tamil Nadu, INDIA
Tel: +91-452-2610794, 2610805
Fax: +91-452-2602247
Email: dhan@md3.vsnl.net.in
dhanfoundation@dhan.org
Web: http://www.dhan.org

International Network of Alternative Financial Institutions-India

New No.65, First Floor 3rd Street,
Harvey Nagar
Madurai - 625 016. Tamil Nadu, INDIA
Tel: +91-452-2300490 Fax: 4358490
Email: inafiindia@gmail.com
Web: www.inafiindia.in
www.alternativemfsummit.org