

ICAR KVK MYRADA

ERODE DISTRICT (TN)

MARKET-FIRST APPROACH OF A COMMUNITY INSTITUTION

The case of Kazhani Farmer Producer
Company in Tamil Nadu

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1. Introduction – building upon the foundation of strong SHG network

Located in Gobichettipalayam, the Kazhani Farmer Producer Company Limited (henceforth Kazhani) was started in 2016 by Mysore Resettlement and Development Agency's (MYRADA) Krishi Vigyan Kendra (KVK). MYRADA is a leading NGO from the southern states, credited with pioneering the SHG movement in the country in the 1980s.

Gobichettipalayam is in Tamil Nādu's Erode district, through which the River Bhavani flows. The major crops in the region are paddy, banana, and sugarcane. Adjoining the block is the Sathya Mangalam forest area, where the major crop is millets. The farmer producer company (FPC) currently has 1,000 shareholders and spreads across 32 villages of Gobichettipalayam and neighbouring TN Palayam and Andiyur blocks. The geographic spread of the FPC is wide as the farmers were mobilised from the villages where MYRADA had promoted SHGs and farmers groups.

It is reasonable to say that while Kazhani was formed in 2016, the foundation for the FPC was laid much before it was registered. MYRADA's Community Managed Resource Centre (CMRC), an institution for strengthening SHGs, was formed in the area in 2004. MYRADA itself has been working in Erode district since the 1980s, mainly in the hilly Sathya Mangalam region. Its inroads into the plain area began with the establishment of the KVK (partnership of MYRADA and Indian Council of Agricultural Research (ICAR)) in 1992. MYRADA had good experience in farmers' mobilisation and farmers interest group (FIG) formation. Kazhani's formation coincides with MYRADA's strategy of expanding its focus areas from mobilisation of self-help group (SHGs) initially to watershed development and enterprise promotion through FPCs.

In 2011, MYRADA KVK was focused on production practices, organic farming, and sustainable agriculture. In 2012, discussions started on secondary

agriculture in which interventions across the agriculture value chain were explored. KVK started working on contract farming model in addition to exploring dairy, poultry, and other subsidiary activities. At that time, the idea of establishing FPCs began to emerge. The KVK, with support from the state government, Small Farmers Agribusiness Consortium (SFAC), National Bank for Agriculture and Rural Development (NABARD) together established eight FPCs, of which one is Kazhani. Formed with NABARD support, Kazhani received technical and managerial support continuously from KVK, while CMRC provided the foundation and support for the formation of FPC.

KVK supported Kazhani in extension, business development, capacity building, identifying the crops and varieties for the district based on its extensive experience. In the initial one or two years it also provided logistics support to the FPC. Innovations such as precision agriculture, pilot project of NABARD and KVK for vegetable and fruits ripening, processing and value addition activities were introduced in the later years.

One of the key initiatives undertaken by the CMRC prior to Kazhani's registration was exposure visits to successful FPCs. The visits helped farmers associated with the CMRC to understand the concept of FPCs, the scope for value addition and marketing in the main commodities, especially banana, which is widely grown in the region. Other farmer-centric initiatives such as introducing paddy transplanter to improve mechanisation, enabling access to government schemes and subsidies were helpful. Apart from this, the CMRC formed joint liability groups (JLG) and organised entrepreneurship development trainings with support from KVK and other agencies like Coconut Board on various enterprises such as poultry feed production, bee keeping, goat rearing, food processing, and use of mechanical coconut tree climber, among others.

2. Evolution of Kazhani's business model

The initial business model was built upon the foundation that CMRC created for Kazhani FPC. It started with marketing of products such as honey, goat milk soaps, organic toothpaste, and so on, produced by the entrepreneurs trained earlier. Building upon this, Kazhani started introducing different services to its members.

2.1 Initial success – crop insurance

Kazhani's initial success came from an unexpected twist of fate. It was through the introduction of crop insurance under the Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme in partnership with Agriculture Insurance Company of India Ltd (AIC) in 2017. During NABARD training, Kazhani's chief executive officer (CEO) Kavitha met with an agent of AIC, who was

appointing sub-dealers. Kazhani became the sub-dealer for Erode district and not only started enrolling farmers from Kazhani but partnered with other FPCs in Erode to enrol their farmers as well, especially those FPCs promoted by MYRADA. Around 200 farmers from Kazhani were enrolled for crop insurance.

That year, the water that was being released from Bhavani Sagar dam in the initial field preparation for paddy had to be stopped at the time of transplanting due to water shortage. This led to severe losses for the farmers who much to their frustration watched their fields dry up. In this difficult situation, the insurance claim came as a silver lining to all those farmers who had opted for insurance. Each farmer received around Rs. 4,000–5,000 per acre, which covered the costs they had incurred. For the entire Erode district, the FPC managed to get claims of nearly 8 million that year. Kazhani helped farmers in preparing the documents and did the data entry on the website, and the money was credited directly to the farmers' accounts. Though these transactions do not reflect in the FPC's books, it helped create a positive impression about the FPC among the farmers and gave confidence to Kavitha and her team about the benefits of registering as an FPC.

2.2 Initial setbacks – collective marketing of rice

The very first product to be launched by Kazhani was unpolished, hand-pounded rice, which it initially tried to sell to its own members. It seemed like a good business to start with since paddy was the major crop in the area and rice is the staple food. This business activity was initiated as soon as the FPC had enrolled about 250 members and had just registered itself and started filing GST. The FPC tried to sell unpolished rice under the 'Kazhani' brand name to both FPC members and non-members, through its SHG networks. But it didn't work as well as expected, as the market practices were well established. As a new entrant with limited capital Kazhani followed a cash-and-carry model and could not offer credit to customers.

2.3 Learning from failure – sale of grocery items

Rather than withdraw from its strategy, Kazhani decided to learn and improve. The next business idea that Kazhani experimented with was sale of grocery items (including rice) through the FPC. Kavitha was inspired by the work of other FPCs in Tamil Nadu, which retailed groceries through their extensive SHG network. Kazhani decided to try and implement the idea. Kazhani started procuring produce like pulses, spices, and so on, from various FPCs, and in turn supplied unpolished rice to those FPCs.

Later on, though the idea of FPC supplying these items through SHGs was discontinued, the business improved to the extent that Kazhani decided to open three outlets to sell these products. Kazhani has also tied up with

about 80 retailers, which includes FPCs in the adjoining three districts to market Kazhani's products. They continue to stock produce from local entrepreneurs, and these are now packaged with the 'Kazhani FPCL' brand name and supplied to retailers that the FPC has tied up with. It has started direct sales to consumers in Mangalore through a tie-up with Mangalore-based company, Smart Cache.

2.4 Forays into bulk marketing of banana

In 2017, Kazhani received an order for supply of banana to Chennai through WayCool, an agri-products distribution start-up company. The order was a part of a one-year corporate social responsibility (CSR) programme, and the bananas were to be used for the mid-day meal scheme for school children. Though this programme did not continue post the one-year duration, Kazhani carried on with the banana business by supplying banana to traders in Chennai's Koyambedu market but found it difficult as the margins were wafer thin, and getting payments from traders was a challenge. Undeterred, Kazhani decided to expand its work on banana and explored other avenues like supplying to corporate buyers in Chennai. Two years later, in February 2020 it tied up with a banana exporter to supply banana for export markets, which is currently a major focus area for the FPC.

2.5 Value addition – millet processing

Since its early days Kazhani has been selling millet products produced by its entrepreneurs. To scale up production, in 2020, it received machinery for millet processing and value addition from the state government. It is in trial stage, and the company is currently producing millet cookies, health mixes, millet flours, and flour mixes, and trying out new packaging, new markets, and so on. Kazhani procures millets from farmers across the Erode district and not just its members. Also, it procures from other FPCs especially those promoted by MYRADA.

2.6 Overview of Kazhani's business

Of the 11 million turnover in 2020–21, 57% is from sale of value-added produce, 20% from sale of banana, 15% from input sales, others from drip equipment and seeds. Overall, Kazhani is a diversified FPC, which offers a range of services from insurance, inputs business to value addition and output marketing, even groceries. It works across commodities from paddy, banana to millets. It works with members and non-members and sources products from individual entrepreneurs and FPCs mainly but also from the market at times. The unifying theme in Kazhani's diversified approach seems to be a single-minded focus on business growth and viability of the FPC.

3. Key business strategies

Kazhani has experimented with various businesses depending on the capital and capability. With each experiment, the business model has evolved and currently Kazhani has three main product lines.

- Millets, where it is involved in value addition and processing;
- Paddy, where there is no procurement from members, but the FPC is involved in trading, but there are future plans for expanding paddy seed processing; and
- Banana, where the focus is on exports.

3.1 *Millets*

There is a growing interest in reviving millets in the country. Difficulty in processing millets is a major challenge that hinders upscaling potential for minor millets. The lack of suitable processing units close to millet fields means that local producers have to take their produce to distant places, which causes price increases across the value chain, including for consumers who have to pay higher rates for millet-based products as compared to paddy and wheat products. In this regard, it is interesting to note that the establishment of millet processing units by Kazhani FPCL is having a very positive effect on increasing demand for millets, by shortening the value chain and favouring local and regional consumption through affordable products.

Kazhani is involved in the procurement, primary processing of millets (destoning, de-hulling, and de-husking) and value addition into millet flour mixes, cookies, bread and rusk, noodles and pasta, and marketing of millet rice varieties and other value-added products.

The company wants to be able to provide the entire range of millet value-added products in the near future. It is working closely with the farming members to achieve this goal. FPC is planning to undertake a complete range of millet processing activities and market it under its own 'Kazhani' brand. It is also planning to establish an information kiosk on the national highway and establish separate display units at leading department stores to promote millets.

While Kazhani has an established market for millet value-added products, external factors like price fluctuations of the raw materials and availability of produce could be challenges. Also, it faces tough competition from established companies and well-funded newer start-ups that have entered the market selling millet-based products. Kazhani has enough funds currently to cater to the needs of the proposed millet processing activity. However, Kazhani's continued efforts to enter into new businesses may cause a scarcity of funds for the proposed business activities.

3.2 Paddy

Paddy occupies a large proportion of cultivated area in Erode district. Kazhani FPCL is located in the irrigated area of Erode district which covers more than 5,000 hectare area and has a production potential of 30,000 tonnes. Farmers in these regions cultivate paddy two times a year with all the major paddy varieties.

Nearly all the paddy grown by farmers is procured by the government at minimum support price (MSP). In this situation, Kazhani decided not to venture into procuring paddy – either for direct sale or for milling. Their initial venture of selling unpolished rice did not yield desirable results. The main reason being, the normal practice in the region was to purchase rice on credit, while Kazhani was not able to offer credit to customers. At present, it procures rice from a shareholder who is also a rice mill owner and repackages and sells under Kazhani's own brand. The FPC also sells traditional varieties of rice.

Apart from rice marketing, Kazhani is involved in the supply of paddy seeds, development of nurseries, and paddy transplantation. The seed requirement for raising the crop is quite less, and its cost is also less compared to other inputs, but the potential income a farmer gets depends upon the quality of the small quantity of seed they use. Kazhani procured quality seeds from reputed universities and research centres and distributed them to the farmers. Encouraged by the results, Kazhani plans to expand its paddy seed business. The construction of a seed processing and storage unit is underway. The plan is to procure seeds locally and sell locally and later venture into foundation seeds.

3.3 Banana

Banana and mango are two major fruit crops grown in the district. The economic importance of banana is increasing on account of increased demand in both domestic and international markets. Kazhani has been focusing on banana business and developing it in stages.¹

Kazhani FPCL started the banana output business in March 2018. It aggregated and supplied bananas to corporates in Chennai under a contracting arrangement. So far Kazhani has supplied around 100 tonnes of banana varieties. It also registered as a vendor with WayCool for supplying banana varieties.

It established a market tie-up with Green Agro Products for export to Europe starting from January 2021 and started demand-based cultivation of Banana varieties. Initially, Kazhani supplied one consignment of G-9 bananas to Singapore and four sample consignments of red banana to Italy. The results of the test marketing were encouraging – the product received positive response from consumers.

In addition to learning the ropes of export market, Kazhani has been working steadily to develop backward linkages required for exports.

Demand-based banana cultivation started in August 2020 and by July 2021 covered 150 acres. The area under particular banana variety is decided by the FPC in consultation with the exporter, and the area of the plantation will be within the FPC's working area. To ensure remunerative income for the farmers Kazhani arranges for adequate and timely supply of inputs. It provides high-yielding hybrid varieties, timely financial assistance, guidance on pest-control measures, and better market linkages.

Banana crop cultivation involves a total cost of Rs. 0.15 million per acre, right from preparation of land till harvesting of the crop. Tissue culture planting material provided by Kazhani to the farmers has the following advantages over suckers – it ensures pest and disease-free seedlings, uniform growth, increased yield, and early maturing that provides for better land utilisation, and two successive rotations are possible in a short duration which minimises the cost of cultivation.

To ensure uniform quality, the company selected farmers, supplied them with all the inputs on credit (through tie-up with Jaikisan, a fintech start-up), and provided technical trainings through MYRADA KVK. The organic bananas are certified by Tamil Nadu Organic Certification Department (TNOCD). Kazhani applied blockchain technology from Madurai Agri-business Incubation Forum (MABIF) to enable traceability of the farmers and the cultivation process. With blockchain technology, the FPC can put relevant information regarding each step in the cycle of agricultural events onto blockchain to enable farmers to get access to transparent and trusted source of information. Farmers can get instant data related to the seed quality, soil moisture, climate- and environment-related data, payments, demand and sale price, and so on, all at one platform. Blockchain can also help in establishing direct link between farmers and consumers/retailers.

However, the business has not taken off as per plan due to pandemic-related disruptions, shortage of refrigerated containers, and so on. Kazhani did not have a back-up plan to sell locally, and the farmers sold the produce on their own. That said, the CEO and the farmers are encouraged by the acceptance of the produce and are looking forward to a better season next time around. Despite initial setbacks and Covid disruptions, Kazhani wants to get into direct export of Banana after understanding the export business, which members estimate could take them another 3–4 years. The plan is clear among the stakeholders associated with Kazhani.

3.4 Financial performance

There has been a clear focus on the FPC sustaining itself through its revenues. Kazhani ventured into procuring value-added products made by local entrepreneurs like spices, spice powders, masala mixes, cold-pressed oils, honey, and so on. The sale of packaged grains (particularly rice) and pulses is a reliable source of revenue. Millet products in retail packaging

have been rolled out for urban markets with an aim to generate consistent revenues.

The company was started with a project funding of Rs. 0.91 million from NABARD. The company has been able to achieve steady growth in business turnover from Rs. 3.43 million in (2017–18) to Rs. 7.97 million (2019–20) to 13.49 million in 2020–21. For the last three years, Kazhani has booked small annual profits between 0.1 million and 0.2 million. It is yet to pay any dividend to its shareholders.

It currently has 11 full-time staff, including the CEO, whose salaries are covered by the FPC from its revenues. In its fifth year now, the FPC receives only a small component (25%) of CEO salary from NABARD. A summary of its financial performance is given in Table 11.1.

- The total revenue of the FPC increased from Rs. 3.4 million in 2017 to Rs. 13.49 million in 2020.
- FPC also reported increased expenses over the years from Rs. 3.28 million in 2017 to Rs. 13.3 million in 2020. It implies that the total expenses of the company increased in proportion to the total revenue earned.
- Profit Before Tax (PBT) ranged between Rs. 66,000 and Rs. 0.22 million during the past four years (2016–17 to 2020–21).
- Profit After Tax (PAT) ranged between Rs. 15,000 and Rs. 0.1 million during the past four years (2016–17 to 2020–21).
- Share capital increased over the years from Rs. 1 million to Rs. 1.99 million which includes SFAC equity grant.
- Current assets in 2020–21 increased by nearly 15 times of the initial year 2016–17.
- FPC does not have any borrowings.

Out of the total Rs. 1.98 million share capital, Rs. 1 million is from paid-up capital, and the remaining is from SFAC equity grant. Funds for working

Table 11.1 Financial performance of Kazhani during 2016–21 (Rs. in million)

<i>Particulars</i>	<i>2016–17</i>	<i>2017–18</i>	<i>2018–19</i>	<i>2019–20</i>	<i>2020–21</i>
Total Revenue	0	3.43	5.87	7.97	13.49
Total Expenses	0.02	3.28	5.65	7.84	13.32
Profit Before Tax	(0.02)	0.14	0.22	0.07	0.09
Profit After Tax	(0.02)	0.11	0.11	0.02	0.03
Share Capital	0	1.00	1.00	1.99	1.99
Reserves and Surplus	0.95	0.06	0.18	1.21	6.82
Fixed Assets Including Investments	0	0.32	0.36	2.10	5.90
Current Liabilities	0.02	3.40	1.37	5.51	10.32
Current Assets	0.91	1.09	2.23	6.75	14.89

Table 11.2 Sources of capital for infrastructure development of millet processing unit

<i>S. No</i>	<i>Source</i>	<i>Amount (Rs. in million)</i>
1	Bank balance of FPC	1.10
2	Additional contribution by FPC (SBI loan)	1.30
3	Grant/subsidy available	3.00
4	Any other source (liquid stock value)	1.50

capital are a key constraint for the growth of the FPC. Says a director, “Considering the potential in banana business or even paddy procurement, we need a working capital of at least 25 million, but we are managing with only about 2 million capital so far.”

The company received its share of SFAC’s equity grant and a loan of 0.5 million from Sanghamithra Rural Financial Services (at 6%, term loan) in 2018–19. In the same year, it received a loan of 4.7 million from SBI under SFAC’s credit guarantee scheme.

For its millets processing business, Kazhani invested around 1.8 million for infrastructure. The project cost was Rs. 4.8 million including working capital requirement of Rs. 1.05 million; Kazhani received grant of Rs. 3 million under Tamil Nadu Irrigated Agriculture Modernization Program (TNIAMP) of state government. Kazhani has mobilised funds required for infrastructure development and working capital from the sources mentioned in Table 11.2. The proposed business activity of establishing a complete range of millet products is going to generate a turnover of Rs. 15 million to 20 million for the financial year 2021–22 with a net profit of Rs. 0.92 million in the first year of operation.

Thus, the FPC which started with its financial source as share capital has been able to access government grants, loans, infrastructure support, and is looking to sustain its business through profits from the business.

4. Shareholder outreach and governance

An estimated 600 members receive at least one form of service from the company; they either purchase grocery, farm inputs, or sell their farm produce or value-added produce. Paddy/banana is procured from local farmers but also from non-members when the need arises. Millets are procured from non-members in hilly regions, where another FPC promoted by MYRADA operates.

The board is aware of the challenges in engaging shareholders, as a director puts it succinctly,

Fulfilling shareholder expectations is very challenging for the FPC.
A farmer sees the FPC as a Government body and expects benefits

like grants or loans to the tune of 0.5 million each, otherwise they don't show much interest in the FPC activities.

In that sense, developing a shared vision among farmers, directors, and key stakeholders is a critical need and is important for the institutional sustainability of the FPC, which might become dependent on individuals otherwise.

4.1 The 'core' team of the FPC

Sustained growth and development of FPCs depend on the cooperation and coordination of different stakeholders involved in its operations. Kazhani has 12 board of directors (BoDs) and Kavitha, the CEO, has more than eight years of field experience in working with farmers through CMRC. Her previous experience in mobilising, capacity building, and identification of farmers' needs helped in the collectivisation, formation, and promotion of Kazhani. She has also played a significant role in the development of marketing and financial linkages for the FPC. She has participated in various training programmes organised by NABARD, Coconut Development Board, Coir Board, and various central and state government agencies and is also involved in conducting training for directors and farmers of state government-promoted FPCs and farmer collectives.

Kavitha's transition from CMRC manager to Kazhani's CEO is interesting. She attended the exposure visits to successful FPCs organised by NABARD and the concept of FPC. She then started canvassing the concept of FPC among farmers. She was involved with the share collection for Kazhani even before it got its name. Incidentally, it was initially planned to be registered as a society with the name of the CMRC, Thenkoodu Farmers Service Centre.

Kavitha recounts farmers asking, when handing over the share money to her, as to who would handle the money and build the FPC, which was still a concept then. Narrating her mental state at that time, Kavitha says,

When I used to collect the Rs. 1,000 from farmers, I did it with fear and excitement. I knew the value of the money that the farmers were giving me, and it developed in me a sense of personal responsibility, in addition to the belief in MYRADA's work with farmers.

In 2019, MYRADA decided to let the CMRCs be run by the community itself and stopped supporting CMRC managers. Kavitha got the option to shift to another district to join a project or join Kazhani as its CEO. She chose the latter and has been its CEO since then.

The current directors of Kazhani are progressive farmers from the farmers groups, who actively participated in KVK trainings and exposure visits to successful FPCs, organised by NABARD. Four of the directors of the company

come to the office almost every day. Among these, the chairperson is a retired schoolteacher, two of the directors have the responsibility of marketing FPC's products, and one director is responsible for accounts and financial management.

Few of the directors have experience in working with CMRC, and it has instilled a sense of ownership and commitment in the minds of directors to work for the growth of FPC. The company holds BoD meetings every month, on the 25th of every month, and emergency meetings as and when required. Though no agenda is circulated before the meeting a formal presentation is made on financial status and operational decisions to be taken. All the discussions are verbal, and minutes are recorded. Generally, each meeting has the participation of more than ten BoDs and the FPC conducts more than 12 meetings in a year.

Kavitha says,

Each director represents a group of farmers and communication of day-to-day activities to farmers happens through BoDs. BoDs come to the office daily, they spend at least a half-day in the company and inform the discussion to members through an informal meeting.

Mr Gokulnathan, one of the BoDs, says, "Farmers' cooperation is very good with the FPC which is the result of transparent governance."

5. Leveraging support from the ecosystem

One of the things that stand out in this FPC is the manner in which it has leveraged several government schemes to obtain capital assets. The FPC received millets primary processing equipment and value addition unit from the state government under various schemes. It has also received seed processing and storage unit and a transport vehicle. The total value of these grants is about 10 million. The company has committed 20–30% of the project value from its own resources for obtaining these grants.

The company has worked with MABIF, Tamil Nadu Agriculture University (TNAU), National Banana Board apart from KVK, which is also the promoting agency. MYRADA KVK had earlier promoted producer associations with a reasonable degree of success, and the idea behind promoting Kazhani FPC was to explore institutional means for promotion of secondary agriculture. Funding was obtained from NABARD's Producer Organization Development Fund (PODF) initiative.

6. The road ahead

Kazhani has its task cut out. It has identified its key business lines, as explained in the previous sections. Looking ahead, it would like to become a complete end-to-end solution for farmers, first by setting up a hub for the

complete set of value-added products from millets; second, a seed processing unit; and third getting into coconut procurement and value addition; and finally, paddy procurement and processing.

6.1 Proposed activities and goals for the next five years

6.1.1 Focus on sustainable agriculture

Having the passion to grow organic products, Kazhani is promoting the use of organic inputs among the farming community. During the field visits, members of Kazhani shared excitedly about their experiments with organic farming and were encouraged by the decrease in input costs and no decrease in yields.

The FPC is also planning to cultivate organic vegetables in 100 to 200 acres in the current year with a focus on reduced input costs for farmers. Implementation of drip irrigation with government subsidies aimed at judicious use of water and other resources is one of the ecological concerns of Kazhani.

6.1.2 A Model FPC

In the long run, all stakeholders aim to develop Kazhani as a model FPC. They see Kazhani as having the opportunity to explore partnerships with private players and state agencies for agriculture value-chain development at the regional/local, national, and international levels.

6.1.3 Big on tech

Information and Communication Technologies (ICTs) have become an important tool in promoting agricultural value-chain efficiency. Kazhani is already working on blockchain technology to improve traceability in its banana business. In 2019, Kavitha attended a week-long seminar in Germany on use of traceability technology in organic banana and is looking to implement the learnings.

7. Summing up

To sum up, in a short span of five years since its establishment, Kazhani has explored various ventures. Some have worked and others didn't. There have been delays as well – Kazhani's plan for seed processing unit has been delayed, the plan was to start seed procurement in the current season, but there is a delay in completing construction due to pandemic-related disruptions.

But rather than withdraw from its strategy when things don't go as planned, it has learnt from each setback and grown stronger from its

experience. Kazhani's unique aspects are the ability to learn quickly and network extensively and a focus on execution (learning by doing).

Another distinctive quality is to think and act like an entrepreneur (as opposed to an NGO working on grants or a researcher trying to analyse/learn) at each step during its journey – be it attending trainings or meetings or interacting with various stakeholders. Each interaction is an opportunity to “learn and do” something new, which seems to be the need of the hour for the FPC. Kazhani has been good at this learning by doing approach.

As an organisation with a huge farmer base and a professionally run company, an FPC has the potential to attract government schemes and programmes to build its capital and develop infrastructure. However, this does not happen by default. Not every FPC is able to successfully work with government agencies. It requires networking skills and programme implementation capabilities, such as reporting progress at government review meetings, managing visits, inspections, and dealing with the expectations and demands of government officers.

Kazhani has been able to constantly interact with buyers, sellers, manufacturers, government institutions, and their own farmers and look for new opportunities. Taking up such large amounts of grants and investments also requires an appetite for taking risks. As a sustainable FPC, Kazhani is poised to grow exponentially. It has not been easy getting here, and it has several challenges up its sleeve as well. It will be interesting to see how it evolves from here.

Note

- 1 A blog written by the authors on Kazhani's banana business can be accessed at <https://www.smallfarmincomes.in/post/venturing-in-market-going-bananas-experiences-of-kazhani-farmers-producers-company-limited>

Photo Gallery



District Collector Inaugurated Millet Processing Center



Millet Processing Center



Chairman, NABARD released the Product



Market Outlet at Railway Junction, Erode



**Honourable Governor (TN) & Vice Chancellor, TNAU
Visited Exhibits**



District Collector visited the Kazhani FPO



Received Outlook Express Award from Union Agriculture Minister



Received Best Performance FPO Award from Honourable Finance Minister of Tamilnadu