

# Apple Project

Shri Jagdamba Samiti, India

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**Global need.** Although India is positioning itself as a worldwide leading economic power, it is still home to one-third of the world's poorest people, concentrated mostly in its rural areas. The growth potential of rural India however, is enormous with an increasing concern about food security and increasing food prices. This new approach of Apple project could well capitalize on the immense potential of rural India and break through the inefficiencies of the current rural production-trade relations, which need a substantial investment in infrastructure and technology.

The **need** for the Apple project was felt after the realization that small farmers in a market-oriented agribusiness get further marginalized mainly due to the dominance of *mandis*, a chain of well-organized intermediaries who control the entire process from credit supply for farm inputs, transportation and marketing of produce. Inaccessibility of purchasing hubs, lack of economies of scale due to limited production by individuals, the seasonality and perishability of a crop such as apples make it difficult for small farmers to coordinate a smooth supply of their produce to markets. As a result the produce is sold in bulk without any value addition and differentiation according to quality, size, etc.

**The objective** of the Apple project is to create a profitable model of business driven, decentralized independent and small scale production with coordinated arrangements for processing and marketing by providing technical, managerial and investment support to enable farmers collectively to move up the value chain with the help of ICT (Information and Communication Technology).

**How it operates.** The 'collective' feature of the business model is promoted to save individual time, distribute risk, maintain price assurance, pursue damage control and save on handling costs such as storage and transportation. Shri Jagdamba Samiti and Fresh Food Technology (FFT) identify farmer trusts and limited companies as institutional forms of collectives which can be placed at the two ends of a continuum can be located in between.

The advent of ICT with apple project has change the scenario of cultivation and the livelihood of these unreachable villages, as it plays an important role by giving solution to the challenges faced by the farmers as well as the organization and also accelerates earnings.

ICT initially started working with this project - by establishing link between small producers of various villages to the nearest village center office(s) and different village center offices to the nearest collection center office(s), finally from different collection center offices to the Head Office and the C.A. (Controlled Atmosphere) store. From C.A. stored apples are sent to the open market.

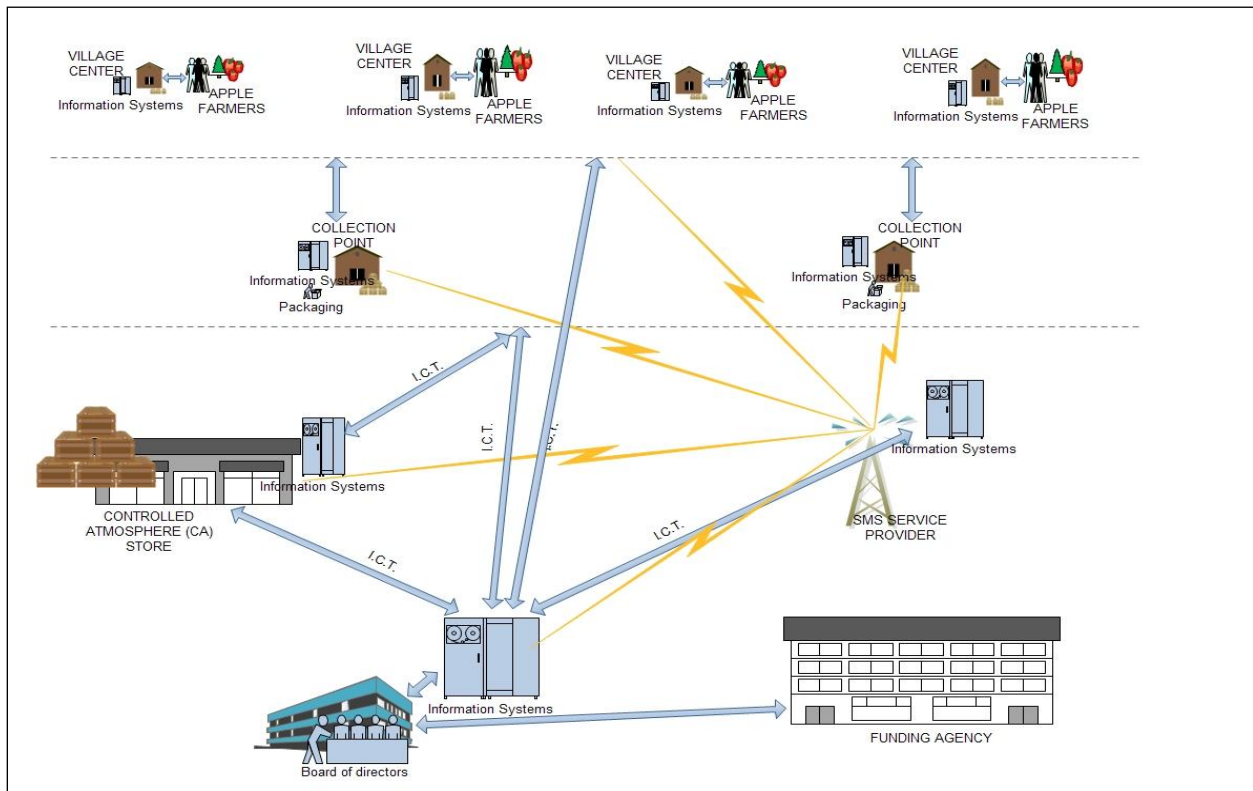


Figure 1: ICT Model with Apple Project India

**The main social goal** of the business model is that it serves the interests of small and marginal apple growers. This includes:

- Equity: Democratic member control which delinks the number of votes from shareholding.
- Inclusiveness: Political and religious neutrality.
- Empowerment: Education, training and information.
- Concern for the community: Plough back profits for social entrepreneurship activity

**Formation of farmer trusts.** The main beneficiaries of the project, the small and marginal farmers, have meanwhile grouped in well functioning farmer trusts. For all functional collection points, one

farmer trust has been formed for the primary processing of apples upon harvest. The apples are bought by the primary producing company, a joint company of FFT India and the farmer trust concerned. This company is engaged in the collection, procurement, sorting, grading, packing, possibly pre-cooling and reselling of the apples.

***Farmer trusts***

1. Syuri Nogoan Seb Utpadak Krishak Sangrahan Evm Vipanan Klyan Trust
2. Purola Naitwar Seb Utpadak Krishak Sangrahan Evm Vipanan Klyan Trust
3. Dhari Kafnol Seb Utpadak Krishak Sangrahan Evm Vipanan Klyan Trust
4. Bavar Silgaon Seb Utpadak Krishak Sangrahan Evm Vipanan Klyan Trust
5. Himalayan Farmer Development Trust
6. Himalayan Mahila Swarojgar Trust
7. Harshil Gangotri Fal Utpadak Krishak Kalyan Trust
8. Taknor Fal Utpadak Krishak Kalyan Trust

***Joint ventures companies***

1. Purola Netwar Farm Collectives Private Limited
2. Dhari Kafnol Farmers Agro Processing & Marketing Private Limited
3. Bavar Silgaon Farmers Agro Processing & Marketing Private Limited
4. Syuri Nogoan Fruits Collection Private Limited
5. Harsil Gangotri Fruits Processing and Marketing Private Limited
6. Taknor Jhala Fruits Collection and Processing Private Limited
7. FFT Himalyan Fresh Produce Private Limited
8. Himalayan Fresh Juice Private Limited

Farmer organizations function at the area level to bring together farmers from different villages. Each Farmer Organisation brings together about 20 villages. Each year one annual general meeting of the Association shall be held where the performance for the year shall be shared with the members as well the total performance of the enterprise shall be shown to them. Each year the Association would select 11 members out of themselves who shall be called as the members of the governing body and which shall be able to nominate one person in the legally registered trust and one director in the Joint Venture Company.

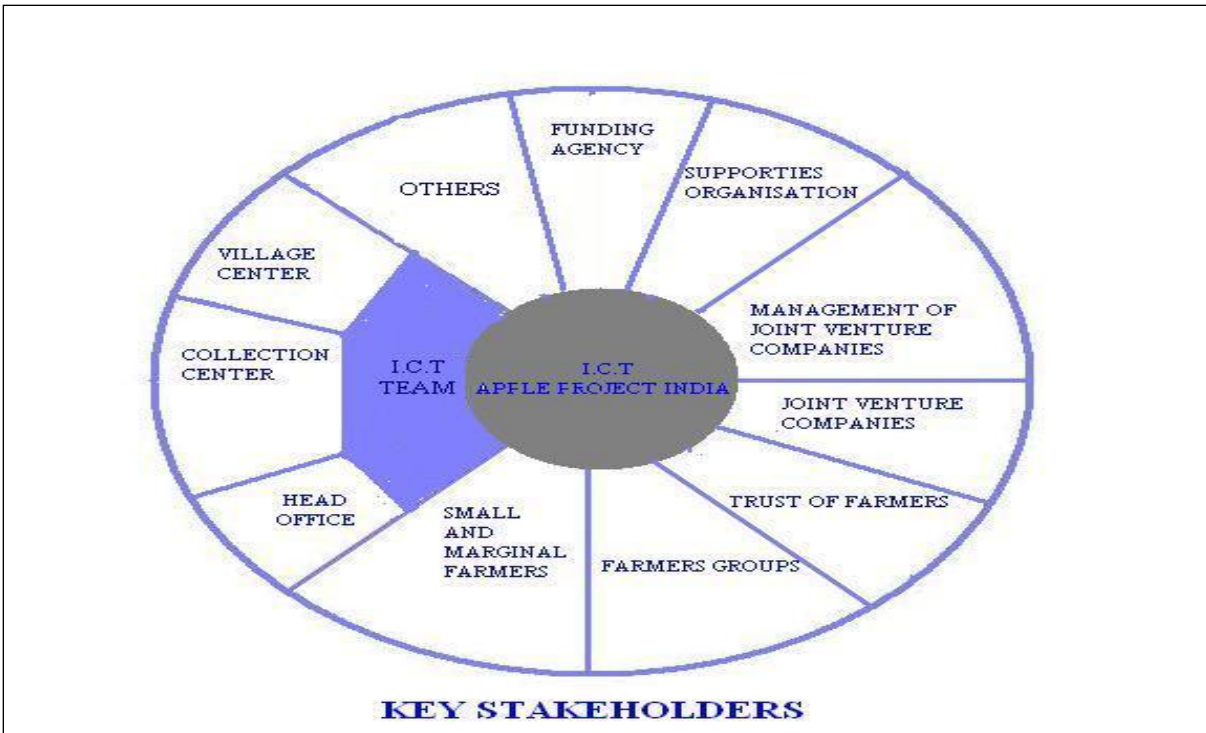


Figure 2: ICT model with different stakeholders

### Achievements of Apple project

- Establishes link between apple producers, village centers, collection centers and head office through ICT
- Agricultural information transfer and sharing
- Collective efforts of farmers, coming together (so far 2800+ farmers associated)
- M.I.S. on planning and target of apple collection prior to apple season
- M.I.S. on ownership transfer and profit or premium distribution to the farmers
- ICT kiosk at different village centers
- Mobilization of investments (loan and subsidies applications responded positively)
- Motivating producers to move up in the value chain
- Market chain development for quality and assured buyers
- Recognition and reputation from government, buyers, media (TV, print media) banks and financial institutes

Notably this new business model towards development where farmers and investors become equal business partners has a lot in common with the well known micro-credit schemes. At present the approach is tested as a combination between a grant and loan component of the project. It is a collective action between financing institutions, farmers, NGOs, private entrepreneurs and government in order to compete and flourish in open market with benefits flowing back to farmers.

YEAR	Total Number of Collection Centers	Total Number of Villages	Farmers Involved
2007	4	12	300
2008	6	35	1500
2009	6	72	2567
2010	7	72	2567
2011	7	109	2676
2012-13	8	123	2760

*Table1: Impact of farmer involvement with Apple Project India through ICT*

Year	Apple boxes procurement	
	Targeted	Achieved
2008	50000	37,000
2009	50000	20,000
2010	60000	45,000
2011	65000	35000
2012	70000	60000
2013	80000	50000

*Table2: Impact of ICT with Apple Project*

For further information, please visit <http://sisindia.org/>

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