

THE HINDU

Creating a transparent market for cotton growers

December 5, 2013



Appachi eco-logic cotton project is a unique organic cotton contract farm model in the Western Ghats region of Kabini Reservoir.

The project covers nearly 1,200 farmers spread over 1,875 acres. Over 17 per cent of the area comes under reserve forests of both Karnataka and Tamil Nadu and exposing the cultivation fields to wild animal attacks is forcing farmers to start cotton cultivation on a mono cropping basis instead of food crops.

Past story

For growing cotton the farmers for a long time were using only chemical fertilizers and pesticides extensively, thus destroying the soil fertility and the ecology besides paying a huge amount to buy the inputs.

“To begin with, the process, right from procuring seeds to selling the harvested produce, proved a nightmare for them since seeds would not be available on time and local moneylenders and middlemen used to fleece them since most of the farmers were either small, marginal or tribal growers,” says Mr. Arun Balamatti, Programme Coordinator, JSS Krishi Vigyan Kendra, Suttur, Nanjanagud Taluk, Mysore.

These inherent problems opened up a tremendous opportunity for Appachi cotton to try to bridge this gap, and carry the farmers through a value chain that would ultimately improve their lifestyle.

The firm entered into a contract with the growers and registered it with the Agriculture Marketing Department, Govt. of Karnataka. It tied up with selected seed companies for exclusively supplying non Bt cotton seeds, as very few companies provide non Bt seeds separately for organic farming purpose.

Advance payment

“For this, we had to pay 100 per cent advance money to the companies to secure non Bt cotton seeds. Each farmer was supplied one packet of seeds on an interest free credit. Many farmers do not own cattle, hence they needed support in sourcing organic inputs such as FYM, neem oil, bio pesticides etc.

We sourced all the critical inputs and distributed them on credit basis to the participating farmers,” says Mr. Mani Chinnaswamy, Managing Director, Appachi Eco-Logic Cotton Pvt. Ltd.

Apart from providing timely inputs, the firm regularly conducted training and hands-on workshops for capacity building among the farmers.

Selected farmers’ representatives were taken on exposure visit to Pollachi, Tamil Nadu to show them the ginning, spinning and weaving process and to make them understand the value of production and supply of clean cotton which ultimately decides the quality of the end product (the fabric).

Appachi sources its purchases from the Agricultural Produce Marketing Committee (APMC), five days a week. This is the only APMC in India where organic cotton is traded.

A price fixing committee is formed with farmer representatives who decide on the weekly prices every Saturday. This is a first initiative of its kind in India, where farmers have a say in deciding the price for their own commodity.

Fixed price

The price fixed by the committee is valid for the ensuing week; the price so fixed is communicated through voice SMS and bulk SMS to all the registered farmers. Best quality Bt cotton has been sold for Rs.5,500 a quintal.

“We have tried to bring in transparency at all levels; an exclusive cotton bag is designed to avoid contamination and to enable easy transportation; weighing is done with an electronic scale. An organic premium of five per cent is offered for in-conversion fields for the first and second year farmers and a 10 per cent premium for third year growers. We ensure cash and carry system for all purchases,” explains Mr. Mani.

520 tons

As many as 52 truck loads (about 520 tons) of pure organic cotton has been supplied by farmers this season in the last two months, despite heavy rains affecting the crop at harvesting season.

“Appachi is aware that organic cotton alone would not be enough to ensure livelihood improvement of the small and marginal farmers. organic cotton apart, it encourages farmers to grow other organic crops such as ragi, maize, pulses and vegetables, which will be bought after the end of cotton season. We are lending technical assistance to the project,” says Mr. Arun.

For more information contact

Mr. Mani Chinnaswamy

Managing Director

Appachi Eco-Logic Cotton Pvt. Ltd.

46, Meenkarai Road, Zamin Uthukuli

Pollachi, Tamil Nadu - 642 004

phone: 4259 234666 and mobile: 096880 44000.