

APPLE FARMING PROJECT

*A social enterprise model to secure
livelihoods of apple farmers*

May 2013

Researched and documented by



Table of Contents

Background.....	4
Objectives	7
Organization Model Employed	8
Business Model Employed	10
Implementation Strategy.....	10
Process Flow	12
Impacts and Achievements.....	14
Critical Issues in Implementation of Apple Project India	17
Way Forward	18
Social Venturing Initiative	18
Farmers and their organizations.....	20
Spin-off economic ventures	20
Outreach activities	20
Social Business Consortium Approach.....	20
Conclusion	21

Executive Summary

Despite the significant efforts made by the central and state governments for upliftment of small and marginal farmers in the country, numerous problems continue to exist that bind farmers in a cycle of poverty and deprivation. While agricultural produce has been on a rise in the country, it has not translated into enhanced income for the producers of food grains. Critical factors in this have been lack of organized access to markets, absence of appropriate technologies, dearth of awareness about actual prices in the market, lack of financial support, dominance of middlemen and limited access to credits. The recent farmer suicides also indicate agriculture to be a challenging livelihood option to many people in rural India. With a large proportion of India's rural population engaged in agricultural activities, it is important to empower small and marginal farmers through innovative models of development.

In order to switch control in the hands of the middlemen and the *mandis* that control the process from credit procurement for farm produce to marketing of the end product, the Apple Project India was launched in 2007. The project is the work of a consortium of partners, including Stichting Het Groene Woudt (SHGW) in the Netherlands, Fresh Food Technology (FFT) and SJS. The project works with Uttarakhand's apple growers to bring them together in a farmers' Joint Venture Company and to build cooperation through which they secure better prices for their produce.

The business model employed works on a grants and loans basis. Certain components like organizing farmers in association and trusts, trainings for yield promotion, quality production; proper and timely picking and handling of the project are covered by grants while the infrastructure part of it through the joint venture companies is funded by investor as loan. These investments, however, are loans on the Farmers joint venture companies, and repayment is to be done on an annual basis out of the profit generated through value addition. The expectation is that, on an annual basis, the liability of the JVCs would decrease and ownership will be transferred to farmer organizations once the loan paid fully to investor full economic ownership will go to JVCs. This business model has engaged small and marginal farmers in creation of apple value addition business chain. The model has provided the farmers with the capacity to sell their products directly to the consumers and take charge of the prices, thus eliminating the role of middlemen. This has resulted in better prices for small and marginal farmers and increased consumer satisfaction because of good quality of apples.

Technology has been heavily employed in making the project sustainable. The collection centres and the cold storage, along with the state-of-art equipments installed therein form the backbone of the infrastructure required for this project. Despite such involvement of machines, the costs have been kept low.

The success of this initiative lies in its adoption of a unique approach aimed at creating a profitable partnership between investors and groups of farmers through establishing joint agro-processing enterprises. It is innovative since it allows farmers organizations to become stakeholders in the joint companies along with the investors. The aim of creating these agro-businesses is to make them economically independent and free from the dominance of middlemen.

The Apple Project India is on its way to transform the socio-economic conditions of apple farmers in its project sites. The project currently reaches out to approximately 5,470 farmers in 80 villages of Uttarakhand.

Background

Over the past few decades, India has liberalized its markets to avail of the benefits of a globalizing economy. However, the benefits have not accrued equally to all citizens of the country and have largely remained restricted to certain sections of the population, even agitating against the interests of a large number of poor and marginalized people. In an agrarian economy like India, any assessment of the transfer of benefits at the grassroots level must focus on the change brought about in the socio-economic conditions of farmers. In remote rural areas of the country the situation is particularly grim in the case of small and marginal farmers. Local power structures, born out of asymmetric socio-cultural and economic arrangements and concomitant politics, play a major role in determining economic activities in rural areas where farmers are heavily dependent on and, in turn, misled by money lenders and middlemen.

Several state sponsored schemes like the *Rashtriya Krishi Vikas Yojna*, National Horticulture Mission, Wok Plan Organic Farming scheme and various other government subsidy schemes have been promulgated for the benefit of small and landless farmers. However, such schemes have not necessarily been able to tackle issues of dependency and poverty. At the same time, several other attempts have been made to strengthen the farmers' position through self-help groups, co-operatives and other organized collectives. These interventions have proven to be better in terms of breaking the farmer's dependence on middle men and making them self-sufficient. However, their sustainability, success or failure are mainly determined by their leadership and/or continued government intervention.

In recent times, the involvement of business focused social development motivator, corporate entities and private investors has initiated a new approach for the benefit of small and marginal farmers. This approach is rather an experimental attempt to find a critical entry point for rural development by concentrating on setting up of healthy agro-business in which farmers would gradually develop economic ownership supported by both NGOs and business organization.

This initiative would allow the farmers to become equal partners and have full ownership over their produce free from the shackles of the middle men.

Apple Farming in India

Apple farming in India is mostly practiced in hilly regions of Himachal Pradesh, Kashmir and Uttarakhand. Within these regions, the apple-growing areas are scattered, making exchange of knowledge among farmers increasingly difficult. Further owing to the terrain and economic development of these areas, farmers here are deprived of appropriate technology for farming, adequate financial support, transportation and a farmer-friendly marketing network. Their knowledge about the mainstream market where their produce is sold is heavily limited by these factors, leading them to depend on middlemen who procure the produce at rates much lower than those prevailing in the market. Moreover, high cost of transportation, unpredictable weather conditions and other related issues have led to apple farming becoming an increasingly difficult occupation for people in hilly regions.

Genesis of the Apple Project India

Against this background, a new approach of socio-economic development has been initiated in Nagaon region of Uttarakhand and Jubbal area of Himachal Pradesh. The project titled the *Apple Project India* was started in 2007 to empower small and marginal farmers involved in apple farming. It is an innovative step initiated by a consortium of partner organisations namely, Fresh Food Technology (FFT), Agriculture and Organic Farming Group (AOFG) and Shri Jagdamba Samiti (SJS) and has been funded by a Netherlands-based family foundation Stichting Het Groene Woudt (SHGW).

The primary strength of this project is organizing farmers for collective actions to save time, money and aggregating the produce to improve bargaining power with use of Information and Communication Technology (ICT) tools that have connected the most secluded villages where apples are grown to the mandis and the buyers. The ICT-enabled apple farming project works as a facilitator of information exchange between different stakeholders and maintains the work flow structure in a unique manner.

The services covered under the project include:

1. A link between apple producers, village collection centres and the market
2. Agricultural information transfer and sharing
3. Farmers' Database Management Information System (MIS)
4. MIS on planning of apple production and planning
5. MIS on ownership transfer and profit distribution to farmers
6. Current market prices including the price build up

7. Purchasing apples from farmers and delivering it to the market
8. Processing flow and inventory management
9. ICT kiosks in different village centres

The Apple Farming project has successfully created a profitable business partnership between investors and farmers groups by setting up joint agro-processing enterprises that are based on external funding agencies like the SHGW. This has resulted in creating more employment, income, technological skills and capacity building for the apple growing farmers of Nagaon, Purola, Tyuni and Harshil areas of Uttarakhand. The project has empowered small scale farmers of these regions and promoted sustainable socio-economic development. The model has enabled leadership amongst the farmers, making them self-reliant and facilitating a bridge between them and the markets.

The guiding principles anchoring the project are as under¹:

1. Investing in profitable agro-business ventures: Setting up farmer-owned businesses, based on professional feasibility analysis and business plans.
2. Farmers as equal business partners: Farmers are not merely 'beneficiaries' or 'the target group', instead they are equal business partners of the private business partner/investor.
3. Loan, no free money: The investment required is brought in by a private business partner, driven by its social corporate responsibility rather than by its profit seeking objectives. However, the loan is to be repaid in order to maintain the business rigour and sustainability of the model.
4. Farmer ownership: As repayments are made on the investments, the economic ownership of the company is automatically transferred to farmer groups.
5. Continued strategic guidance by professional/project partners: While farmers are to gain complete economic ownership over the business and are to be represented in the governing body (Board of Directors), the majority of the Board of Directors will remain professional or project partners to ensure that the long-term interest of the company and continued strategic guidance is secured.
6. Invest, but also plough back profits: While investing in higher value-addition processing, the model is intended to plough back part of the profits to the farmers and into new economic activities in the region.
7. Collective action to save time, energy and money
8. Improvement in bargaining position of small and marginal farmers

¹ Shri Jagdamba Samiti report on the Apple Project in India- www.sjsindia.org

9. Take out intermediaries: This includes exclusion of the middlemen or informal lenders.
10. Overcome difficulties in handling and logistics: For instance, inaccessibility and transportation, particularly in undulating terrains, leads to excessive wastage. Collectively, the farmers can more easily organise solutions or obtain external support (such as from (local) government or private sector).

Objectives

The Apple Project India aims to 'create a 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'.

Based on the ideas of equity, inclusiveness, empowerment and concern for the community, the project works to:

- Empower the small and marginal apple farmers through ownership of value addition business chain.
- Increase the income sustainability of farmers by organizing formal farmer organizations and joint venture companies.
- Establish partnership between investors and farmer groups through ICT enabled agro processing enterprises.
- Abolish the concept of middlemen, informal lenders and other external intermediaries.
- Ensure farmers get better price for their products through social enterprise model.
- Provide farmer organizations with adequate technical and financial support for the production and storage of apples.

Organization Model Employed

The key stakeholders in the project and the manner in which they are related with each other are given in Figure 1 (2007-2009) and Figure 2 (2009-2012).

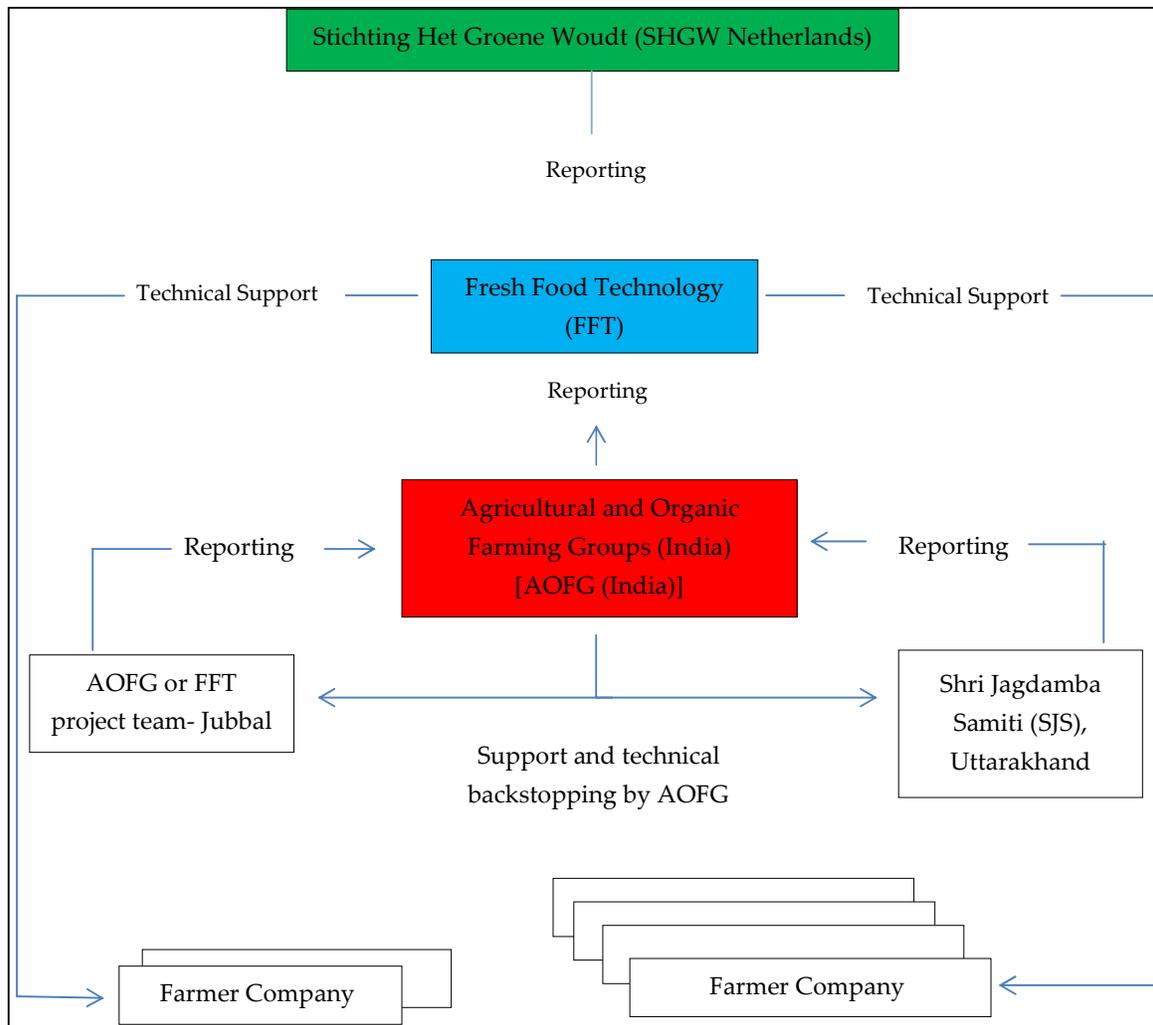


Figure 1: Ownership arrangements and relationship between different stakeholders under Apple Project India
 Source: Shri Jagdamba Samiti, 2007-2009

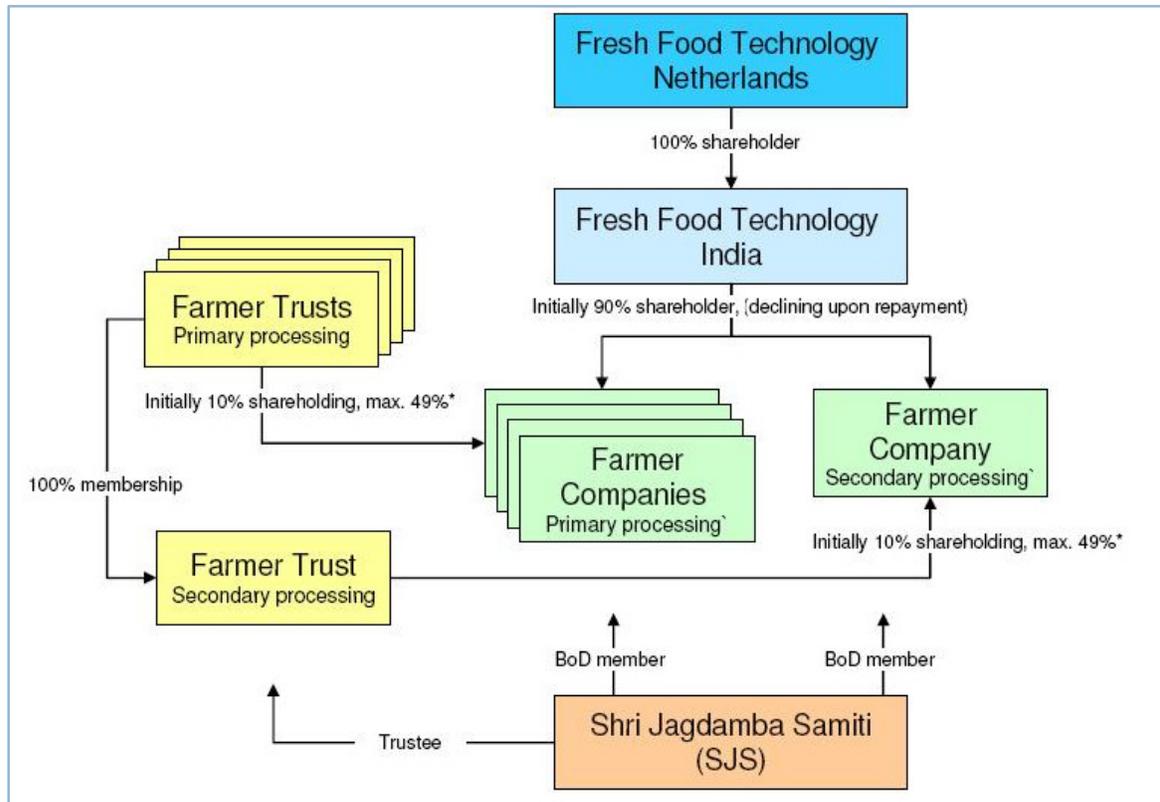


Figure 2: Ownership arrangements and relationship between different stakeholders under Apple Project India
 Source: Shri Jagdamba Samiti, 2009-2012

Farmers: The pivot of the model

The beneficiaries of the project are the small and marginal farmers who grow apples in the hills of Uttarakhand. They have been grouped into well-functioning Farmer Trusts (FT). Organized at the level of a functional collection point, the primary role of the FT is the primary processing of apples upon harvest. A part of the farmers' produce is sold to the collection point against a transparent price, which is determined by a commonly agreed formula. These apples are bought by the farmer company – that is a **joint company** of the FFT India and respective FT. The farmer company is responsible for the collection, procurement, sorting, grading, packing, pre-cooling and reselling of the apples.

As of May 2013, there exist six FTs and six farmer companies for this primary processing at Dhari, Purola, Chausal, Pissaon, Jhala and Dharali villages of Uttarkashi and Dehradun districts of Uttarakhand. Farmers are organized into associations at the area level to bring them together from different villages. One association is comprised of farmers approximately from 20 villages. The aim of such associations is to mobilize farmers to form FTs through which they can subsequently gain ownership of a joint venture value-addition enterprise.

The facilitating development organization, that is the SJS, enables the farmers towards such ownership. The sharing of benefits and shareholding of the enterprise is done on the basis of patronage/produce. This implies that sharing of benefits is along lines of the amount of produce that a farmer has contributed in the given year. Eleven farmers who supply the highest produce are selected as members of the governing body of the association. Out of these 11 members, one member is nominated as trustee to the legally registered FT and one member to be the Director of the joint venture company. It is important to note that provisions have been made to ensure representation of the smaller among this cohort of farmers as well. Therefore, even small contributors can become part of the governing body provided that a group of small contributors nominates him as their representative on the basis of their cumulative contribution.

Role of Shri Jagdamba Samiti (SJS)

SJS is responsible for facilitating the FT and JVCs and providing technical backstopping to primary producing farmer groups and companies. Such backstopping related to organization, advisory and training services, operational support/facilitation, and business and marketing support.

Role of Fresh Food Technology (FFT)

The role of FFT is to provide technical support for all companies, particularly the secondary processing facilities. These include provision of technical support and solutions, channeling and administration of budgetary support from SHGW, entrepreneurial support, and acting as the vehicle for transfer of legal ownership of the joint venture companies.

Business Model Employed

The project aims to transfer complete economic and legal ownership of the joint venture company to the farmers in order to ensure long term livelihood security for them and their active participation in the value chain. The profits and assets of the FT are owned by the farmers in proportion to their cumulative patronage. Along lines of the same logic, premium is distributed on the basis of annual patronage. Dividend distribution is based on the amount of shareholding in the enterprise. The shareholding, in turn, is decided by cumulative patronage/supply of the produce. On repayment of the Investment of SHGW and bank loan, farmers eventually become the owners of the whole business. They would be the owners of assets of the trust and joint venture companies on the basis of their cumulative produce given in the companies. Implementation Strategy adopted to implement the Apple Project India consists of 8 phases:

Phase I	<p style="text-align: center;">Commodity assessment and selection of area and partners</p> <p><i>Project started in sites on the basis of concentration of marginal farmers engaged in apple farming; started with 6 pilot locations in Uttarakhand</i></p>
Phase II	<p style="text-align: center;">Feasibility study</p> <ul style="list-style-type: none"> - Study conducted on Long Term Storage Facility (LTF) for apples - Cold storage facility developed in 2010 that operated through controlled atmosphere (CA) storage of 1000 MT capacity set up in 2011.
Phase III	<p style="text-align: center;">Funding procurement</p> <p><i>Proposal presented to SHGW and banks to invest for construction of cooling centre and LTF for apples. Support from Government of India's National Horticulture Board - subsidies on importing CA technology and equipment</i></p>
Phase IV	<p style="text-align: center;">Organization and structuring</p> <p><i>Farmer-owned companies set up – (i) Dhari Kafnol Farmer Agro-processing and Marketing Pvt Ltd, (ii) Bavar Silgaon Farmer Agro-processing and Marketing Pvt Ltd, (iii) Syuri Nagaon Fruit Collection Pvt Ltd, (iv) Purola Netwar Farm Collective Pvt Ltd , and (v) Fresh Food Technology Himalaya Fresh Produce (Joint-venture company to manage LTF)</i></p>
Phase V	<p style="text-align: center;">Engineering and design</p> <ul style="list-style-type: none"> - Sorting and grading equipment installed at all collection centres and LTF - Precooling units established at collection centre - LTF with Amerongen controlled atmosphere technology established Kotiyal Gaon (Nagaon) - High capacity computer to control functioning of equipments
Phase VI	<p style="text-align: center;">Construction and installation</p> <ul style="list-style-type: none"> - Selection of sites for construction of collection centres - Greefa BV sorting machines with capacity to sort apples on basis of size, weight and colour installed - Generator installed onsite in soundproof room in every location
Phase VII	<p style="text-align: center;">Operation and management</p> <ul style="list-style-type: none"> - SJS: Backstopping services to farmers on daily basis - FFT: Strategic and operational guidance - Financial quick scan tool developed to predict profits/losses; it helps management to judge at what prices apples can be procured and sold profitably - Weekly reporting sessions during apple harvesting period - MIS to maintain database of farmers, forecast plan, week wise plan, apple collection and apple box packing and release details, and reports
Phase VIII	<p style="text-align: center;">Transfer of economic ownership to farmers</p> <ul style="list-style-type: none"> - Ownership presently with companies, farmers are shareholders - Annually, upon repayment of investment (like receipt of eligible subsidies/repayments from profit made), shareholding adjusted in favour of farmer groups - SJS facilitating repayment and transfer process between farmers' trusts and FFT India

Process Flow

The process of procurement of apple produce from the farmers to the marketing of the produce includes two broad stages.

Stage I: Procurement of produce and transport to collection centres

Apples are collected from the farms and are brought to the collection centre (Figure 3). Farmers provide the details to the collection centre about the number of trees and current produce. Center managers then give advice about the number of crates required by farmers and supply them. To start with, the collection centre sends a vehicle to collect the apple produce from farmers in the villages. This prevents the need for the farmer to travel anywhere to hand over his produce as well as ensures safe transportation conditions and no cost involvement on the farmer's part. When the produce is collected, each farmer is given a formal acknowledgement bill (Figure 4) clearly mentioning the amount of produce, classified as per grades, and the value of the produce.



Figure 3: Collection centre at Purola where apples are graded, sorted, pre-cooled and packaged
Source: OneWorld Foundation India 2013

क्र.सं. S.No.	ग्रेड Grade	साइज Size	वजन / किलो / किलोग्राम Weight Kg.	दर / रु० / किग्रा Rate/Rs./Kg.	कुल मूल्य रु० Amount Rs.
1	A	EL	6	144 रु०	
2	A	L	9	516 रु०	
3	A	M	14	336 रु०	
4	A	S	8	192 रु०	
5	A	EXTS-175	8	192 रु०	
6	A	EXTS-200	5	120 रु०	
7	A	Open Sap 300			
1	B	EL			
2	B	L			
3	B	M			
4	B	S			

Figure 4: Farmers are given receipts with details of the volume, quality and value of their produce at the time of collection
Source: OneWorld Foundation India 2013

Every collection centre is equipped with one grading/ sorting equipment and one pre-cooling container with a refrigerated truck. Once the apples are graded and sorted by the machine (Figure 5), they are pre-cooled (Figure 6) and packed in plastic crates for transportation to the cold storage (Long Term Storage Facility).



Figure 5: The grading and sorting equipment at Purola collection centre
Source: OneWorld Foundation India 2013



Figure 6: Apples are pre-cooled in a dark room fitted with cooling equipment in order to increase their shelf life and transport them safely to the cold storage
Source: OneWorld Foundation India 2013

Stage II: Transportation of graded, sorted, pre-cooled and packaged apples to cold storage

The Long Term Storage Facility, or the cold storage, is fitted with Van Amerongen controlled atmosphere (CA) technology and has been established at Kotiyal Gaon (Nagaon) Uttarkashi. It has a capacity of holding 1,000 MT. The apples are preserved in the cold storage chambers (Figure 7) and can be held for nearly 8 months.



Figure 7: Cold storage corridor at the Long Term Storage Facility in Nagaon
Source: OneWorld Foundation India 2013

Once the apples are removed from the cold storage to prepare them for market, they are washed and cleaned for further processing. Equipment to grade and sort the apples has also been installed at the cold storage (Figure 8). The apples are placed on the conveyor belt (Figure 6) where they are passed through a camera which sorts the apples on the basis of their size and quality and segregates them.

The apples are then manually picked from this conveyor belt and packed in boxes for sale in the market (Figure 9) and transported.



Figure 8: Conveyor belt of the sorting and grading equipment in the cold storage
Source: OneWorld Foundation India 2013



Figure 9: Farmers are engaged on an ad-hoc basis to package apples for sale in the market
Source: OneWorld Foundation India 2013

Impacts and Achievements

The Apple Project India in Uttarakhand is changing the mind-sets of farmers and protecting them from the exploitation of middlemen and other intermediaries. It has not only organised farmers into organisations or joint venture companies but has provided them with infrastructural, technological and storage options for their produce. Moreover it has provided them with an innovative solution through which they can sell their produce in an organised way directly to the consumers and at better prices. The outreach of the project has steadily been increasing and has been augmented by enhanced infrastructure. Figure 10 shows the increase in the number of farmers impacted by the project since its inception.

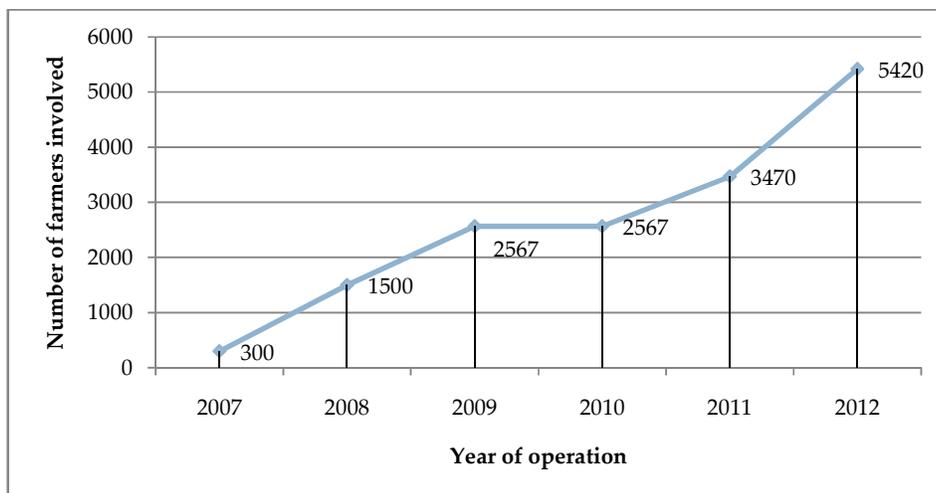
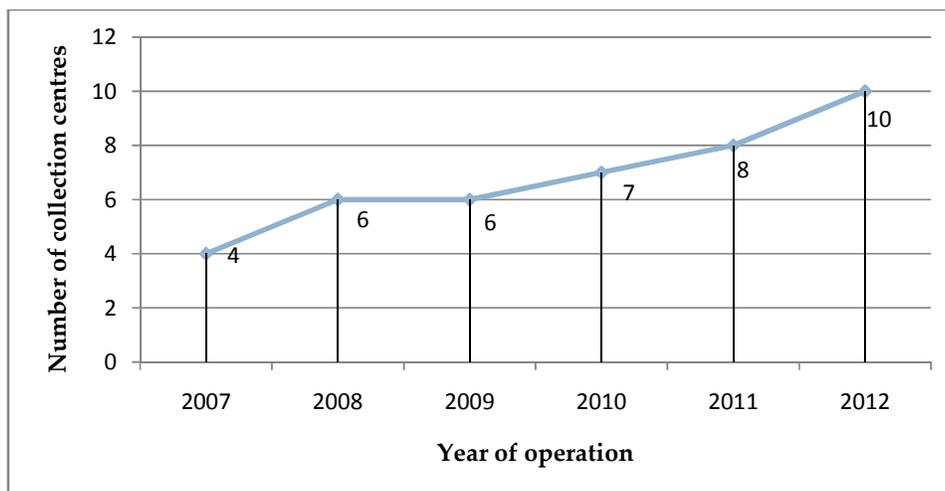


Figure 10: Increase in the number of farmers involved in the Apple Project India (2007-2012)
Source: Shri Jagdamba Samiti and OneWorld Foundation India 2013

The project has consistently enhanced its infrastructural facilities (Figure 11) and expanded its geographic outreach (Figure 12). As a result, the total number of collection centres stands at eight today and the project has expanded to include one CA centre and one juice processing plant.



Note: In year 2010, the number of collection centres includes six collection centre and one central cold store. In 2011, it includes six collection centres, one central cold store and one juice processing unit with a woman farmer. In 2012, it included eight collection centres, one CA store and one juice processing plant.

Figure 11: Enhancement in the infrastructural facilities under the Apple Project India (2007- 2012)
Source: Shri Jagdamba Samiti and OneWorld Foundation India 2013

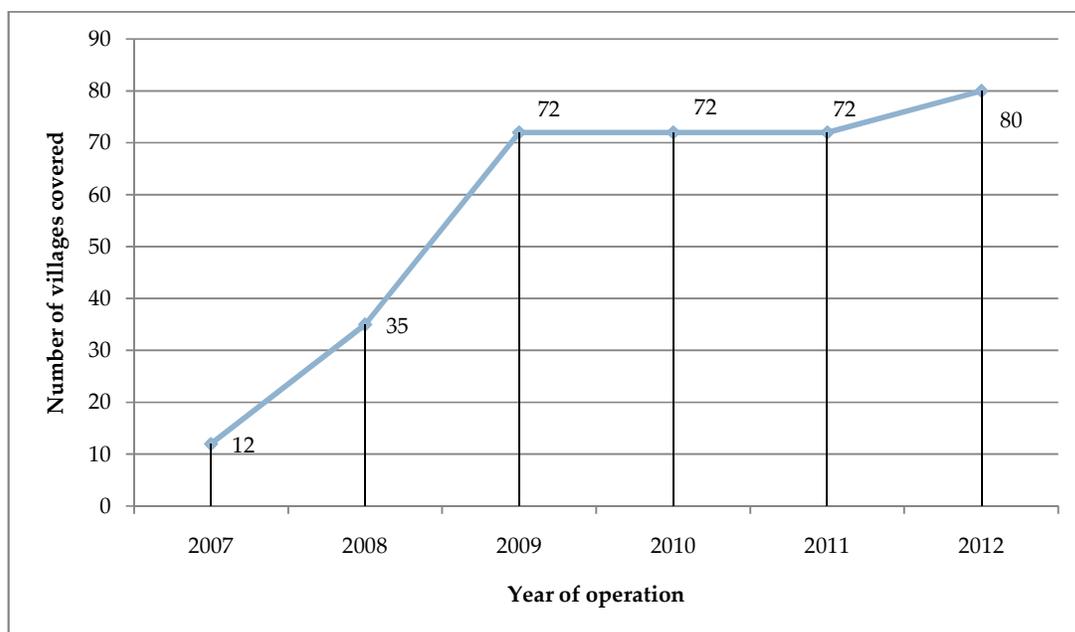


Figure 12: The number of villages covered under the Apple Project India has steadily increased (2007-2012)
 Source: Shri Jagdamba Samiti and OneWorld Foundation India 2013

The use of ICTs has enabled small marginal farmers of different villages to establish linkages with the nearby village centre offices and with collection centres which directly connect them to CA store from where the stored apples are sold in an open market. The project has created value additions as all the centres purchased apples from the farmers group and further engaged in activities such as quality sorting, grading, packing and finally selling it in the market at higher prices during the harvesting season of 2008- 2012.

To build the faith of farmers and maintain their trust in this model, the implementing agency created awareness on how to manage resources by formation of groups at village level. It has also introduced farmers to new approaches to improve the cultivation of apples and provides them technical training whenever required.

The model is working towards building a strong network among the farmers in the Uttarakhand region so that the community at large can benefit from this model, which is doing business along with empowering the farmers. It has organized farmers in collectives through which they can process and sell their products at fair prices.

The advent of ICTs has helped the model to function in an efficient, transparent and accountable manner. Since the MIS is maintained and data fed regularly into it, the chances of misappropriation of funds and resources are minimal. With a one-time capital expenditure and low maintenance and operation costs, the project is sustainable.

The business model followed ensures that farmers own the companies once they have repaid the loan. Not only does this ensure a greater interest in the enterprise on part of the farmers but also solidifies their economic standing for the future.

Critical issues in implementation of the Apple Project India

One of the major challenges the project had to deal with was to convince farmers to go for the new business model and make them understand the benefits that the model offers. Long-standing dependence on middlemen and money lenders has prevented the farmers from accessing sources of reliable information on apple markets, thereby decreasing their confidence in any model that is not supported by the intermediaries since the latter are the farmers' only sources of information. In order to circumvent this challenge, attempts were made to establish strong profitable partnerships in which farmers along with investment partners become equal business partners of the investor. To make sure that farmers benefit most from this model, it is focused on strengthening the farmers' collectives or organizations and provided them with necessary financial and technical assistance.

Keeping in mind that apple farming is in hilly regions where the villages are scattered and far away from reach of modern technology or methods, it is important to introduce new ways and innovative models to reach the farmers. Constraints like lack of communication, unpredictable weather conditions, and poor transport facility restrict the growth of industries, thereby limiting the earning capacity of farmers. However, the project has brought technology closer to the farmers and, after hands-on training, also involved them in certain work processes.

A major concern in establishing a social business model deals with the requirement of expertise partners and other stakeholders. One of the advantages that partnerships or collaborative agreements offer is availability of resources for the project and scope of widening the network. While the project has effectively brought together a variety of stakeholders, it is crucial to maintain cooperation among all of them. Initially, the implementation of this model required efforts to convince all the stakeholders in investing their resources for this model but gradually the new approach enabled setting up of sustainable agro businesses that helped farmers to gain economic ownership along with the support of community-based organizations and private business partners.

It is crucial for the success of the model that all stakeholders should focus not only on financial profit but also on social profit for all the stakeholders involved. It is believed that the success of the business model for apple farmers will pave the way for other farmers also to organise themselves into cooperatives and raise their collective voices.

Way Forward

The joint consortium of SJS, SHGW, farmer trusts and FFT has planned future activities based on the success of this model. These enhancements include:

Social Venturing Initiative

Based on the performance of the initiative thus far, the stakeholders are planning to replicate it in the rest of the country. For this, a Social Venturing Initiative would be initiated. Interested partners would collaborate to launch new projects across the country, based on the already tested social business model. The partners would fall under four categories – (i) The collectives of producers (farmer) (ii) social investors, (iii) social entrepreneurs, and (iv) social business NGOs. The overall support and backstopping to the farmer organizations would be provided by SJS and SHGW (India).

Figure 13 gives the proposed organizational and collaborative set up for such an initiative.

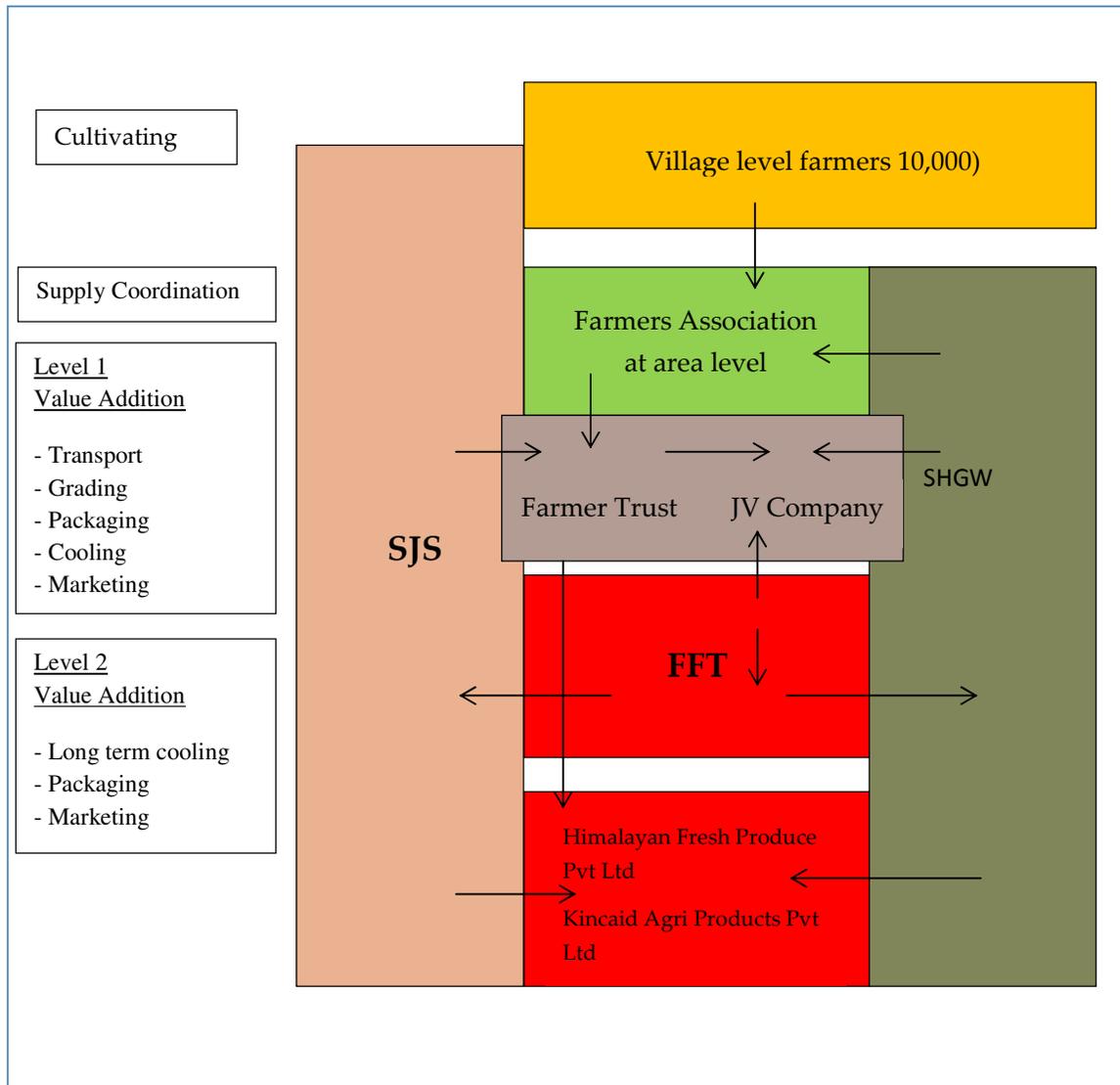


Figure 13: Proposed framework for the Social Venturing Initiative

Source: Shri Jagdamba Samiti, 2013

The activities involved in such an initiative would concentrate on:

- i. Farmers and their organizations
- ii. Spin-off economic ventures of joint venture companies suggested by farmer trusts
- iii. Outreach in other areas and involvement of more farmers in the existing business

Farmers and their organizations

One of the important factors in ensuring overall quality control in the value chain is to register and monitor individual supply of the farmers. For this, an ICT-based **Farmer Contribution Tracking System (FCTS)** has been designed and maintained by SJS with the participation of FTs. The FCTS has provided an effective incentive system for premium payments in proportion to the quantity and quality of contributed produce. For further strengthening farmers' organization, the following are needed:

- i. Preparation of an operations manual for planning, monitoring and evaluation
- ii. Documentation of procedures and guidelines for elections/office bearers and board meetings
- iii. Clarification of roles and responsibilities of farmers' collectives, farmer trusts and external supplying farmers
- iv. Training on team building and leadership
- v. Organization of meetings and consultative workshops for preparation of development plans
- vi. Development of training materials and organization of Training of Trainers to cover topics like yield promotion, application, quality assurance and post-harvest activities.

Spin-off economic ventures

Since apple farming is a seasonal occupation, sole reliance on farming of one crop undercuts the attempts to provide farmers with reliable and secure livelihood throughout the year. For this, it has been envisaged that spin-off activities take place during the seasons not suited to apple farming. These include (i) collection and marketing of tomatoes, peas and other vegetables, and (ii) storage of fruits and vegetables for local sales other than the apple season. These will serve to generate additional income for the farmers.

Outreach activities

A social enterprise model like the one in implementation by SJS, SHGW and FFT exhibits the potential to benefit farmers across the country. However, for this to be replicated, it is essential to disseminate the learning from the model and to find channels through which it can be popularized. Along with the three primary stakeholders in the project promoting it as a sustainable, self-perpetuating model for India to address rural poverty, collaboration would be done through joint action programmes for corporate social responsibility. Further, advocacy efforts will be made jointly with grassroots organizations to influence the government and private sector entities.

Social Business Consortium Approach

According to the implementing agency, a project like this will not gain much from setting up of new organizations/entities to take the project further.

Instead it will be more effective if a variety of actors come together in a *social business consortium* to collectively take the approach to a new level and to create access to a revolving *social business fund* (Figure 14). Such funds would be utilized for existing and new businesses under the project as well as to set up and operationalize new infrastructure. This would be done by:

- i. Sourcing of funds including subsidies, bank loans for working and investment capital: For this, drafting of proposals/applications, registration and follow up with relevant agencies is required.
- ii. Planning of new businesses and investment
- iii. Setting up of sales outlets on tourist routes with youth to operate them
- iv. Setting up a common joint venture fund for investment in value addition business opportunities like herbs, grains and medicinal plants under the same model

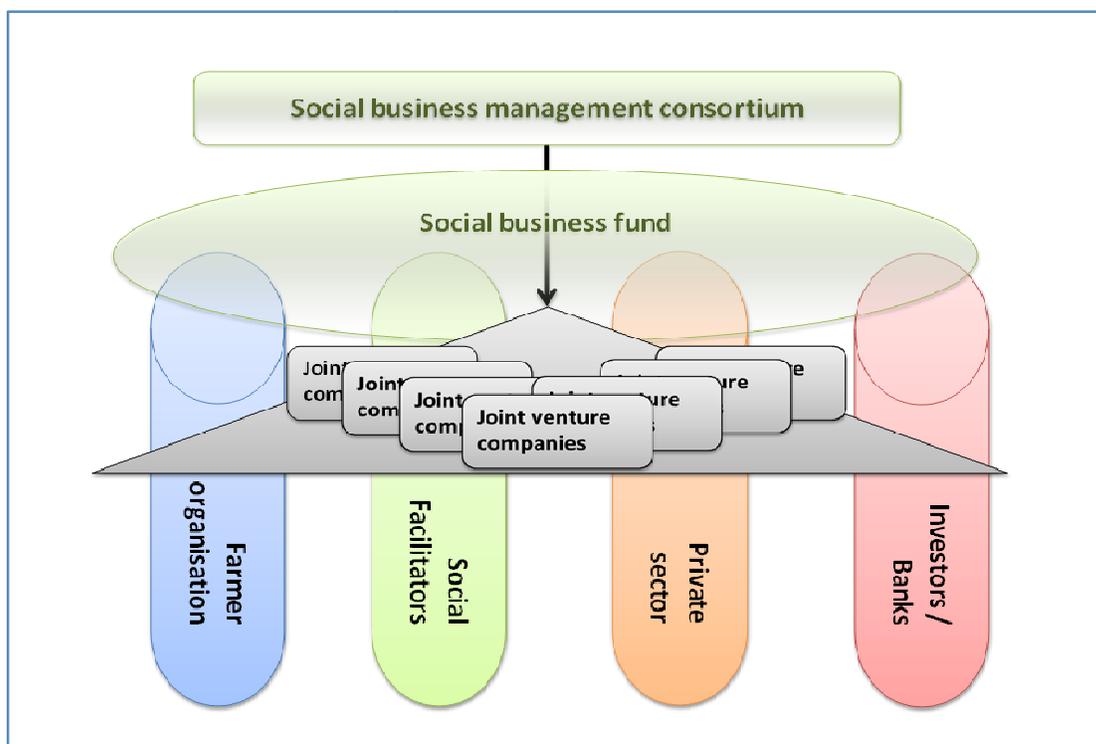


Figure 14: Social Business Consortium model proposed by the SJS
Source: Shri Jagdamba Samiti, 2013

Conclusion

The Apple Project India is an innovative social business model to help small and marginal apple farmers flourish in the market. Its uniqueness lies in its strength to use ICTs in facilitating agricultural activities and providing new innovative solutions to traditional challenges facing

the apple growers in regions of Uttarakhand. The project has been in operation for six years and is adapting to the requirements of the small and marginal farmers and gaining acceptability among stakeholders, including farmers. This business model works towards making apple growers the owners of the corporate entity created to procure and market their produce at fair prices while helping them earn increased returns on their produce. This model exemplifies the manner in which a social business model can give profits back to the farmers while creating more employment opportunities, income and building capacities for the apple growing farmers in remote rural area of Uttarakhand. According to the implementing partners once it will be recognized for replication it will be helpful to reduce the migration of youth from green rural area to urban slums by creating employment in rural areas and ensure the quality food supply to contribute in food security and healthy life of the nation.
