

Access to finance for sustainable production and consumption of agribusiness MSMEs in India

Rejuvenating landscapes sustainably
and equitably

Project Goal

“MSMEs increasingly adopt sustainable technologies using financial incentives and linkages with retail markets”



Targets of the Project

- 30 MSME's given access to finance, markets and technical assistance supported through the project period
- Increased usage of sustainable production and post harvest technologies by all 30 MSME's
- Total sales of EUR 7 million (approx Rs. 50 crores) by the end of the project period

Time Frame

2014

2015

2016

2017

2018

- Identifying the MSME's



- Sustainable technologies



- Business Planning



- Access to Finance

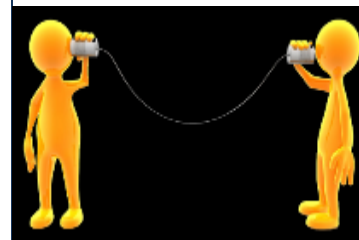
- Sustainable Certification



- Access to Markets



- Public Procurement



- Communication Outreach

- Policy Papers

- Bank Sensitisation

- Workshops

Structure of the Intervention

PRODUCTION, POST HARVEST

Provide support to MSME's to improve both production and post harvest practices of farmers

BUSINESS PLANNING

Provide technical assistance (TA) to MSME's in various aspects of business to enable them to increase their share of the value chain

ACCESS TO FINANCE

Provide access to loans to allow MSME's to access markets as well as improve their credit worthiness

CERTIFICATION

Help MSME's obtain Sustainable certification

MARKET LINKS

Establish Market links that will help the MSME's get a larger share of the value chain



Roles of project partners



Grant receiver, oversight of project and partners.



Lead implementor and capacity building for sustainable certification, consumer awareness and market access (*being changed*)



Identification of MSMEs, Technical assistance to MSMEs on business planning, value addition and sustainable technologies



Access to finance for project MSMEs, sensitization of mainstream banks on green financing

Sustainable Consumption and Production

- Smarter Consumption
 - Shorter value chains through organising clusters of MSME's
 - Sustainably certified products to aware consumers
- Better Products
 - Rainfed, drought resistant varieties of millets, forest produce
 - Organic food and other agricultural produce
 - Lower GHG emissions, better soil conservation, lower water and energy usage



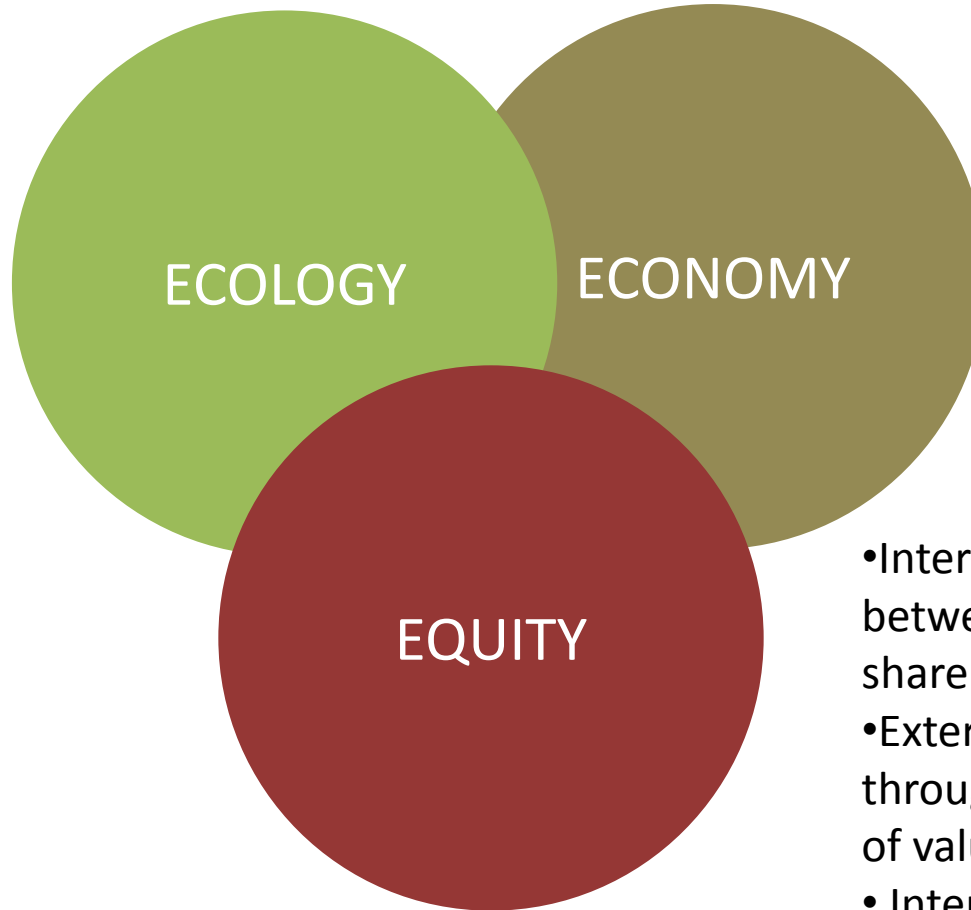
Sustainable Design through Equity

- The project prioritises works with Farmer Producer Companies (FPC)
- Over 80% of the shareholders are Small and Marginal farmers
- At least 1 woman director on the board of the company and 30% women shareholders
- One shareholder one vote



Building Sustainable Communities

- Organic and sustainable agriculture
- Responsible consumers



- Higher prices
- Greater Incomes
- Lower costs of production

- Internal equity between shareholders
- External equity through greater share of value chain
- Inter-generational equity

Targets and Achievements

	Target	Achievement
MSME's covered	30	6
No. of Farmers	-	4,500
Sales Turnover	Rs. 50 crore	Rs. 2. 5 crores

Pudukottai Organic Farmers Producer Company P Ltd

- **Access to finance**

- Rs. 1.5 million working capital given to POFPC (by FWFB). New financial institutions being matched in present year
- Support to access equity grant from Government schemes
- Support for institutional development & strengthening legal & internal systems



- **Sustainable Production Technologies**

- Training on organic post harvest technologies, especially improved processing technologies for small scale operations

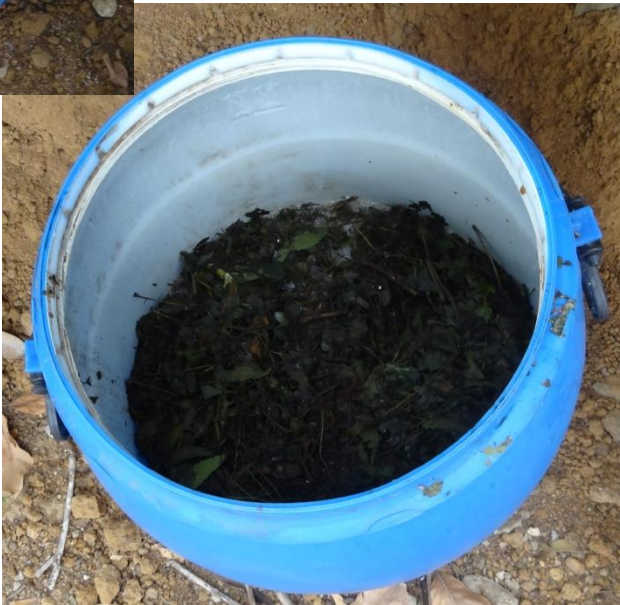


Pudukottai Organic Farmers Producer Company P Ltd



- **Marketing**
 - Business plan prepared, marketing support provided to increase sales to Rs. 2.5 million in first year
- **Design**
 - Support to POFPCCL for design of sustainable packaging and designing of local shop and local marketing efforts to commence in Nov 2015
- **Equity**
 - Producer company structure, one share one vote. Patronage bonus for all members

Kabini Organic Farmers Producer Company Limited



- **Access to finance**
 - Rs. 97 lakhs raised through commercial banking arrangements
 - Support for institutional development & strengthening legal & internal systems.
- **Sustainable Production Technologies**
 - Training on sustainable production techniques, especially for cotton and millets

Kabini Organic Farmers Producer Company Limited



- **Marketing**

- Business plan prepared, marketing support to increase sales of cotton.
- Current year turnover to be expected to be around Rs. 5 crores

- **Equity**

- Producer company structure. 80% are small and marginal farmers

- “A nation that destroys its soils destroys itself. Forests are the lungs of our land, purifying the air and giving fresh strength to our people. ”
— Franklin D. Roosevelt

Thank you