



**KARNATAKA FPO**

**Buyer -Seller Meet**

12-13 July 2018, Bangalore

An Initiative of



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**Foretell**  
Business Solutions

## Summary of Ankura-2018

# “Karnataka FPO Buyer-Seller Meet-2018”

**Jnana Jyoti Auditorium, Bangalore July 12 and 13, 2018**

**Ankura 2018** was a unique initiative of the Department of Horticulture, Government of Karnataka, organised by Foretell Business Solutions Private Limited, Bangalore and supported by National Bank for Agricultural and Rural Development (NABARD), Indian Institute of Horticultural Research (IIHR) and University of Horticultural Sciences, Bagalkote (UHS-B). The two-day event aimed at “Enabling sustainable growth of Karnataka FPOs” through (a) formal credit linkage; (b) linkage with output buyers and input companies; (c) knowledge sharing on best practices in technology and compliance and (d) peer group learning.

Over 650 people from 200+ FPOs gathered at Jnana Jyoti Auditorium, Central College Campus to receive and listen to our honourable Horticulture Minister, Govt. of Karnataka **Shri M.C. Managuli** at the inauguration function. The honourable minister expressed happiness over development in Karnataka FPOs and recommended similar programmes across the state, so that the message reaches more farmers. **Shri Maheshwar Rao M.**, Secretary to Horticulture, Govt of Karnataka in his keynote address said that Karnataka government is working on a policy for FPOs. He urged FPOs to safeguard farmers interest and at the same time honour the sanctity of contracts that they enter into. **Shri Y. S. Patil**, Director of Horticulture, Govt. Karnataka, in his special address mentioned that the department is committed to strengthening all its 92 FPOs and urged FPOs to think long-term and make the best use of the opportunity. **Shri M R Dinesh, Director, IIHR**, in his address shared the specific technologies that IIHR has developed and urged FPOs to adopt these technologies to increase production, save costs and increase profitability. He also opined that FPOs should soon aspire to go into value-addition. Delivering the vote of thanks, **Shri H S Shivakumar**, additional director, Department of Horticulture, Govt of Karnataka thanked the honourable minister and other dignitaries and also urged all FPOs to stay focussed and get as much benefit from the programme as possible.

After the inaugural session, FPO representatives summarised their challenges as below. (a) Banks are reluctant to provide credit as they require three-year balance sheet while most FPOs are only two year old. Also, various charges levied by banks at present are very high and urged banks to look at waiving them for FPOs. (b) On the input side, FPOs expressed that companies still prefer distributors and this is affecting their bargaining power. (c) On output

marketing, delay in settlement of payments, preference for one grade, and inconsistent demand were cited as some of the challenges. (d) Finally, on compliance and penalties, FPOs expressed that the provisions for FPOs should be different from that of companies.

The next session titled “Delivering financial solutions to FPOs” chaired by SBI and participated by Corporation Bank, Nabkisan, Karnataka State Finance Corporation and Samunnati addressed some of the concerns. State Bank of India explained their schemes for FPOs and urged FPOs to contact them. SBI representatives also advised a memorandum be submitted from the department on the issue of waiver of bank charges for FPOs to SLBC, Karnataka. Samunnati, an NBFC that is handholding over 350 FPOs in India, invited FPOs to avail their services which are aimed at catering to short term financial needs of FPOs which are less than 3-year old. NBFCs such as Nabkisan and Samunnati offer unsecured loans for FPOs in their formative years (first three years) thereby complementing the services of PSU banks.

Thanks to GIZ, Mr. Sandeep Kumar of Wayanad Social Service Society shared the journey of the society from a humble Rs. 10 Lakhs to Rs. 76 crores by focussing on organic market and value-addition in spices and coffee.

**Dr. Sudha Mysore** of ICAR-IIHR delivered a special address on the various hybrids developed in their institute that are successfully commercialised. She also highlighted the opportunities in value-added products production and IIHR’s keenness to transfer such technologies to FPO. The highlight of the event was the buyer-seller meet. As a pre-cursor an elaborate presentation was made on the crop-wise availability spread across the state of Karnataka. It was followed by sharing of expectations by four to five buyers (for various categories) from FPOs. Also more than 15 buyers spelt out their requirements in terms of quantity and locational preferences to the FPOs. There was a palpable excitement on both sides as the discussions were open and free.

NABARD CGM **Mr. P. V. S Suryakumar** pledged Nabard’s support to the FPOs. He also offered to support digitisation of knowledge on “Creating and managing FPO”. He believed that short three to five minutes videos on various topics such as conducting AGM, annual returns filing and so on would be very useful for FPOs as reference material.

**Day-2** started with **Mr. K Palanisamy**, DGM, NABARD outlining the plan of action for 2018-19. It included increasing the membership size of existing Nabard supported FPOs to 1000, creation of additional FPOs, conducting a diagnostic study to identify core needs and challenges of FPOs and linking FPOs to formal credit.

**Shri Narashima Raju**, Director, The Energy Resource Institute (TERI), Bangalore offered support to FPOs in improving energy efficiency, adoption of solar and nano-technologies.

The session on regulatory compliance was one of the most interactive ones with a wide range of queries. The consultants, based on their experiences with some of the FPOs felt that the department should take it up with the ministry of corporate affairs to relax the rules on compliance and penalties for FPOs.

**Dr. Ashok Alur** Special officer, UHS Bagalkote, elaborated the activities of centre of excellence for FPO and invited suggestions from FPOs. A handbook on FPOs was released at the hands of Dr. D L Maheshwar, former vice Chancellor, UHS Bagalkote. **Dr. D L Maheswar** urged FPOs to seize the opportunity and utilise it to the fullest through innovation and value-addition.

Technology session highlighted the need for adopting technology to improve efficiency levels of FPOs as well as to tap into new market opportunities for FPO output marketing.

Organic evangelist **Mr Yogish Appajaiah** urged farmers to go for organic to sustain, survive and grow their production and profits. His presentation stressed on why the farmers need to go organic way in a very convincing manner.

In concluding remarks, **Ms. Kshama Patil**, DDH, department of horticulture urged FPOs to pursue the opportunities generated and assured departments support to FPOs.

### **Exhibition booths**

More than 113 products were on display at the FPO Pavillion. These were the produce of Karnataka FPOs spread across the state.

Over 20 exhibitors – input suppliers, technology companies, banks, FPOs showcased their best of products and services.

Sampling of Neera and Neera Sugar a major attraction for delegates.

### **List of Buyers that attended the event**

ITC Foods, MTR Foods, Aditya Birla More, Future Group, Suguna Foods, Hopcoms, Godrej's Natures basket, Priya Foods, Olam Agro, Farm Folks, HOPCOMS, Way Cool, Trufresh Exports, Kisan Networks, Culinary Tree, Surabhi, Farm Taaza, Bengaluru Traders and many more.

### **Developments after FPO-BSM**

The financial institutions such as SBI, Nabkisan, Samunnati are in regular touch with the FPOs to cater the credit requirements to expand their business activities.

Sumunnati has already started visiting individual FPOs to diagnose specific issues and services required by the FPOs. The FPOs of Chamarajangar, Kollegala, Mysore, Mandya, Hospet, etc., had interacted and few applications for the credits requirements are under process. Offered

other services such as sourcing of tarpaulins, Cattle feeds based on the requirements of FPOs to sale to farmer members of FPOs.

There were about 30 plus output buyers participated in the FPO-BSM and during that almost all FPO representatives have interacted with the buyers for the market tie-up. Many of them have got queries from the various output buyers to their requirements. As of now few FPOs have got output linkages with Future Group, Culinary Tree, HOPCOMS, Farm Folks, Surabhi, Farm Taaza, Bengaluru Traders etc.,

The FPOs such as Haveri, Basavan Bagewadi, Dharwad, Hassan, Lakya etc., have started regular supply of Green chilli, Onion, Green peas, French beans, Coconut, Corn and various vegetables to the buyers who have attended the meet.

1. The Dharwad FPO has got vendor registration form the Future group for the continuous supply of vegetables. Transacted around 28 tonnes of green peas, French beans and green chilli with a worth of Rs. 8.50 lakhs to Bengaluru from 27<sup>th</sup> July 2018 to 14<sup>th</sup> Aug 2018.
2. Haveri FPO was sending G4 Green chilli to Pune and they were sold around 43 tonnes to Pune buyer with a worth of Rs. 10.50 lakhs. After the FPO-BSM they could able to connect with Bengaluru buyers and were sold around 63 tonnes with a worth of Rs.11.97 lakhs of G4 variety green chilli.
3. Basavana Bagewadi FPO totally sold around 360 tonnes of Onion with a worth of Rs.38 lakhs as on 13<sup>th</sup> Aug 2018. During FPO-BSM they were able to connect with Farm Folks, Surabhi, HOPCOMS, Safal, few traders etc., and sold around 125 tonnes of onion to the Bengaluru.
4. Lakya, Chickmagaluru FPO has connected with Future group to start the supply of vegetables.

These are the few examples which have got linkages with the buyers and many more in discussions to start the supply of vegetables and fruits in days to come.





**Key contacts:**

**Mr Kempa Reddy. R**  
Marketing Consultant - Dept. of Horticulture  
kempareddy@commodityindia.com  
+91 73488 32631

**Mr Ravi Bhandage**  
Marketing Manager  
sales@commodityindia.com  
+91 93438 40608