Building supply chains to help small farmers raise their incomes, cut wastage

India’s small and marginal farmers form the backbone of the country’s agriculture sector. They account for more than 80 percent of India’s total agricultural holdings, according to the latest Agriculture Census and constitute more than 44 percent of the total area under agriculture. Yet there are opportunities to make the eco-system more favourable for the farmers as they are vulnerable to price fluctuation, low productivity, lack of access to formal markets, weak supply chains and availability of adequate finance despite forming a significant part of the crucial sector.

To strengthen the farmers and enhance their livelihood, the Government of India has set the target of doubling their income by 2022. In his budget speech, Finance Minister had said the government wants to help farmers produce more from the same land parcel at lesser cost and simultaneously realise higher prices. A commitment of this magnitude demands concerted efforts from all stakeholders including the government, civil society, corporates, academia and non-profit organisations. The key to improving the livelihoods of farmers is to strengthen the entire agricultural supply chain. A robust supply chain that provides market linkages, logistics support, and ensures that farmers get fair price for their produce is crucial to promote sustainable agriculture in India. Eliminating the systemic barriers that prevent farmers from increasing their productivity and market access, therefore, must attain priority. A robust supply chain will not only support farmers’ income but also eliminate inefficiencies, such as food wastage.

In line with this vision, the Walmart Foundation recently announced a grant of $2 million to International Crops Research Institute for the Semi-Arid Tropic (ICRISAT). The grant will help ICRISAT work on a project that will enhance the access of over 6000 farmers in Andhra Pradesh to an improved business model enabling better value chains and better incomes. The two-year project will also contribute to two priorities of the country -- doubling farmers’ incomes and indirectly addressing malnutrition in rural areas.

The project is expected to positively impact over 6000 farmers, including 2000 women farmers, in Andhra Pradesh’s dryland farming areas. It will set up community-based grain legume processing facilities, provide access to training and more productive plant varieties, and educate buyers in the market about the nutritional value of grain legumes to help boost demand. This project seeks to establish networks of small enterprise centers where grain legumes produced by smallholder farmers can be collected and jointly processed. The project will build the capacity of farmer organisations, youth and women entrepreneurs in the region enabling them to efficiently run these centers. Read more