

India

In India, ACDI/VOCA has a long and an important history that stretches back to the Green Revolution of the 1960s. There we have implemented programs that strengthen cooperatives and empower smallholder farmers to compete in local and regional markets. Agriculture forms the backbone of the Indian economy, employing approximately two-thirds of the workforce. They cultivate the largest arable landmass of any country.

Despite efforts to mechanize agriculture in the 1990s, India largely remains a country of small farms on which poor, provincial farmers cultivate ancestral lands using manual and cattle labor, with limited productivity and labor efficiency. The small scale of farming operations limits the productivity needed to access and profitably supply commercial markets.

To address these contextual challenges, ACDI/VOCA has worked to increase smallholder incomes and facilitate the growth of micro and small enterprises. Our programs have emphasized market-driven models that are sustainable, scalable and gender-sensitive. ACDI/VOCA's relationship with India began in earnest with the formation of the **Indian Farmers Fertilizer Cooperative (IFFCO)**.



IFFCO: Origin and Legacy

In 1965 the Cooperative League of the USA (CLUSA), which had worked many years with Indian cooperatives, asked ICDA, one of ACDI's predecessor organizations, to study the fertilizer situation in India where dire food shortages had been predicted. High-yielding varieties of wheat and rice had been developed, but they required chemical fertilizers to be most effective. ICDA's 120-page report, "Economics Analysis of the Cooperative Fertilizer Project for India," proposed a vast fertilizer venture to help make India self-sufficient in food production. Several years later, with USAID and Indian government funding, loans from the British government and a significant contribution from

U.S. farmer cooperatives, IFFCO was formed under the watchful eye of a new ACDI unit, Cooperative Fertilizers International. PM Indira Gandhi came to the first plant opening. Throughout the 1970s, IFFCO continued to grow, adding several plants throughout India. Food shortages were averted. In 1982 IFFCO became a member of ACDI.

Today IFFCO is one of the largest fertilizer producers in the world, and remains an ACDI/VOCA member. It has been consistently profitable and achieves around \$3 billion a year in turnover. Its five plants produce about 7 million metric tons, serving 600,000 villages and many millions of customers. It has diversified into financial services and power generation, and has facilities in Oman, Senegal and Jordan. In 2009, IFFCO won a **Global Award for Cooperative Excellence** granted by Dotcoop, which selected organizations that demonstrate a strong commitment to the cooperative business model and whose missions and practices clearly demonstrate cooperative values.

Technical Services that Strengthen Micro and Small Enterprises

ACDI/VOCA's more recent programs in India have emphasized technical expertise and services. From 2004 to 2008, we implemented the **Growth-Oriented Microenterprise Development (GMED)** program, USAID's first enterprise development project in India, under the **Accelerated Microenterprise Advancement Project (AMAP)**. GMED built on organized retail developments to deliver market-driven, scalable approaches to job

creation. Specifically, it fostered the growth of micro and small enterprises with a specific focus on agribusiness and urban services. The approach and manual for managing solid waste management designed by the project was adopted by the World Bank in India and replicated widely throughout the country. GMED was solely a technical service program and had no grant or subsidy component, making it unique for a donor project.

ACDI/VOCA also implemented the **Partnership for Innovation and Knowledge in Agriculture (PIKA)** project through a subgrant from World Vision's USAID-funded Area Development Programs (ADPs). The PIKA Alliance combined our technical expertise and networks, the natural resource management group Action for Food Production (AFPRO), the Oriental Bank of Commerce and the Rice-Wheat Consortium. Under the project, ACDI/VOCA developed market linkages for 3,000 farmers using its signature value chain approach.

IT Collaboration Connects Smallholder Farmers to Market

India is one of the world's biggest producers of fruits and vegetables, but its share in the global horticulture market is insignificant, as is farmers' revenue, due to inadequate quality control and a fragmented supply chain. Recognizing the opportunities offered by India's horticulture production, we have worked to bridge the information gap between farmers and markets.

In 2006, ACDI/VOCA received USAID funding to develop an ICT-enabled application to

improve fresh produce supply chain management. Working with Indian IT giant Infosys, we created an information dissemination system called **FreshConnect** with the intention of placing farmers on more equal footing with other value chain actors, such as organized market retail. The program provided wireless software applications accessible on handheld devices, allowing farmers to monitor demand and ensure the timely delivery of the right volume and quality of produce to sales outlets. In this way, smallholder farmers are empowered as dependable sources of fruits and vegetables.

Our work with Infosys was furthered through a partnership with IFFCO's **Kissan Sanchar Limited (IKSL)**, which provides farmers with information on farming techniques, weather forecasts, input availability, etc., through its voicemail platform. The FreshConnect pilot has encouraged several Indian hypermarkets to invest in the technology.

Empowering Women in Value Chains

Despite their numbers, women laborers and cultivators represent some of the most disadvantaged populations in Indian society. Eighty-seven percent of rural women are employed in agriculture, but they often have very limited decision-making power and rarely get to enjoy benefits gained from their economic pursuits.

To counter these gender barriers, ACDI/VOCA's subsidiary organization, Agribusiness Systems International (ASI), is currently implementing several projects in

India to strengthen the role of women in agricultural value chains and facilitate their socioeconomic empowerment.

The four-year **Sunhara India**, or "Prosperous India," project uses a holistic, market-system and gender-sensitive approach to increase the agricultural productivity and profitability of 25,000 small and marginal farmers in seven districts of Uttar Pradesh. The \$4.2 million initiative, funded by the Bill & Melinda Gates Foundation, also seeks gains for smallholder farmers and other market players by boosting efficiencies throughout the horticulture market system, looking for leverage points that can improve the agricultural system as a whole.

The two-year, \$350,000 **Sunhara Walmart** project extended the effort of Sunhara India to market-based approaches designed to strengthen the role of women farmers in horticulture and handicraft value chains in Uttar Pradesh, with the goal of increasing women farmers' incomes and facilitating their socioeconomic empowerment. The project expanded the number of women receiving Sunhara services and training in Agra and extended the program into Ghaziabad district.

The two-year, \$1 million **Sunhara Prayas** project builds on the success of the Sunhara Walmart project to assist fruit and vegetable farmers to develop better production and marketing systems in five districts of Uttar Pradesh and Andhra Pradesh. The project works with approximately 5,000 women primarily in vegetable markets and 1,000 men in citrus and mango markets.

A Future Marked by Potential

A multifaceted strategy targeting technical services and socioeconomic empowerment has helped make India an interesting and significant ACIDI/VOCA program country. In particular, because of the important stakes and the scale of the undertaking, IFFCO's founding ranks as arguably one of the most effective projects ever undertaken by the United States. Given today's protracted food shortages around the world, India and IFFCO continue to have relevance just as they did at the height of the Green Revolution.

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