

BAIF-Vasundhara: Initiating Social Change to Create Economic Change

Laying emphasis on change in social behaviour to effect an economic change in the intended community, BAIF's mission is to create opportunities of gainful self-employment for rural families, especially disadvantaged sections, ensuring sustainable livelihoods, enriched environment, improved quality of life and good human values.

VASUNDHARA AT A GLANCE

Vasundhara Vriksh Vanvadi Jalsinchan Vikas Sahakari Mandali is a co-operative that was registered under the Gujarat Co-operative Act 1961 on 16 December 1985. It has 2,663 members spread over 39 villages located in Vandsa block of Navsari district in southern Gujarat. The objectives of the organization are related to various activities of its members, their land and orchards (*wadis*), ranging from land development, storage, value addition and marketing of their produce, to acting as an intermediary on behalf of the members when dealing with external agencies.

The members produce about 2,500 MT of mangoes every year, and their co-operative handles about two-thirds of the produce, by marketing it as fresh fruit, mango pulp and other processed products. Among the major activities carried out by Vasundhara are managing the Central Processing Unit at Lachakadi, mango and cashew processing, mango grafts trading, running a Gram Seva Kendra and retail outlets. The co-operative has assets worth more than Rs 2.57 crores, of which fixed assets are about Rs 1.48 crores, comprising plant and machinery, buildings, vehicles, etc.

The highest turnover of Vasundhara of Rs 4.39 crores and the highest profit of Rs 13.70 lakhs were achieved in 2007–08 and 2008–09, respectively. The highest amount paid to members for their mangoes was more than Rs 1.09 crores in 2008–09. Significant non-monetary benefits that accrued to the members include the disappearance of alcoholism, enrolment of their children (including girls) in schools, prevention of distress migration, and reduction of livelihoods risk because of diversification of income sources.

THE EVOLUTION OF VASUNDHARA

During the 1960s, Vansda was one of the poorest blocks of the erstwhile Valsad district. Although it received good monsoon rains, poverty was deeply entrenched among the local tribal people, who practised subsistence agriculture, indulged in brewing and consuming illicit liquor and resorted to distress migration to work as farm labour in the orchards of big farmers for half the year. The people were illiterate and suffered from severe malnutrition.

The Sadguru Foundation initiated its drought relief and rehabilitation work in the area in 1968 and, after working for a decade, understood that though the charitable work was liked by the tribals, it did not bring about any lasting change in their condition. Manibhai Desai, the founder of the Bhartiya Agro Industries Foundation (BAIF), during his interaction with the community, realized that migration and alcoholism were the major hurdles in implementing any development programme. Hence, he wanted to build on 'something that the tribals already knew', and offered to help them (through BAIF) to develop their own *wadi* on their small patch of land if they promised to give up alcohol. He laid emphasis on change in social behaviour to effect an economic change in the intended community. Because of such rigid conditions, only 18 farmers joined the *wadi* programme when it began in 1981.

BAIF combined the local people's knowledge (about *wadis*) with the Foundation's own expertise (promoting plantations of fodder and forestry species), to develop for each tribal farmer a one-acre *wadi* (with 50 mango

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and about 1,500 fodder/forestry saplings), and converged a government poverty scheme to provide wage employment for taking up land development activities. BAIF also provided the required inputs for agriculture and irrigation, and technical experts for extension work. Progressive farmers, selected from among the members and hired as Field Guides/Supervisors, played an important role in the success of the *wadi* programme and in the process of transforming the poor, alcoholic tribal into a disciplined

farmer. The reformed farmers went on to play significant leadership roles in their CBOs subsequently.

Apart from the physical and human resources provided by BAIF, the contribution of Manibhai, both in working with the farmers on the field, as well as in advising them (to accept ownership of the *wadi* as their own programme) and laying out a dream for them ("Twenty years hence, truckloads of mangoes will go for sale from your village") is immense.

Within four years, in 1985, when the first crop was harvested, the farmers were faced with the challenge of marketing the huge quantity of mangoes, because neither they nor BAIF had any experience. Based on Manibhai's suggestion to form their own co-operative of *wadi* farmers, a small group of 42 farmers from 15 villages came together and registered Vasundhara, with widespread objectives, a General Body of all shareholding members, and an 11-member elected Management Committee (MC). The co-operative dabbled in various activities of interest to its members in the initial years, such as the collective sale of paddy and minor forest produce, development

of irrigation, provision of seeds and brick kilns, with mixed results.

By 1989, when most of the nearly 6,000 *wadis* started producing mangoes, the farmers wanted to sell them profitably without inundating the local markets and depressing the prices. To stabilize market prices, Vasundhara decided to process the mangoes by hiring a manually operated pulp-making machine and then set up its own processing unit in two years. It faced various problems both in processing as well as marketing the products (pulp and pickles) locally for about four to five years. Meanwhile, it strengthened the procurement system of mangoes by opening a few sub-centres during the season in different villages and devolving the responsibility of co-ordination upon the MC.

Till the mid-1990s, the co-operative's work was seasonal, with a low turnover. During this period, BAIF supported the CBO by providing highly skilled human resources, subsidizing the cost of operations, and bailing it out in emergencies—such as by underwriting the wastage of Rs five lakhs worth of damaged mango pulp, so as to provide a level playing field for Vasundhara in its formative years. In 1995, DHRUVA was promoted as an associate organization of BAIF, responsible for working in the predominantly tribal Navsari, Valsad, and the Dangs districts of south Gujarat.

Vasundhara gradually strengthened its marketing after 1996, initially through the ad-hoc experiments of the new Programme Officer deputed by BAIF and, later, by outsourcing and setting up a network of distributors in the state for its Vrindavan brand products. The pulp processing unit was modernized with the

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help of external grants facilitated by BAIF. Over the years, Vasundhara started availing of credit from different agencies to meet its financial needs, thereby establishing long-term relationships with mainstream financial institutions. Except for a few critical human resources on deputation from BAIF, all important activities such as accounts, stores, retail and plant operations are handled by the employees belonging to

Vasundhara's operational area and who have been systematically trained on and off the job.

Vasundhara has initiated several activities such as Abhyuthan Yojana (for yield improvement of the *wadis*), Gram Seva Kendra (to provide agri-inputs in the villages), and mango grafts trading (to provide additional income to members), to address various needs of its members. The elected members of the MC play a major role in the governance of the co-operative, in decisions related to hiring and promoting its employees, purchase, dealings with FIs, budgets, quantum of *bhav-pher* (surplus distributed in proportion to a member's contribution to the co-operative), and in influencing the local elected government representatives. The Honorary Manager (a BAIF representative), has a critical role in advising the MC, planning the operations and guiding the employees, and in liaison with various external agencies (government and buyers).

Although Vasundhara is an autonomous body for all practical purposes, there is an intricate web of relations with BAIF-DHRUVA. The processing machinery in Lachakadi is owned by the co-operative but is installed in BAIF's buildings located on the Foundation's land. Vasundhara's key staff is on deputation from

BAIF, but it pays an annual fee to BAIF, based on its turnover to meet their expenditure. Vasundhara's products are sold under BAIF's brand name Vrindavan, and Vasundhara is a member of VAPCOL—a producer company of BAIF-promoted co-operatives.

However, over the years, BAIF has been consciously changing its relationship with Vasundhara as per its policy of 'exiting from a role'. Based on its experience of developing *wadis* in Vansda and in promoting Vasundhara as a farmers' co-operative, BAIF has expanded the *wadi* programme to various other states in the country and also promoted 11 successful farmers' co-operatives in the neighbouring Dharampur-Kaprada area by incorporating the learnings from this project.

BAIF AT A GLANCE

Manibhai Desai founded BAIF, a non-profit, public charitable Trust in 1967, to replicate his experiences in rural development gained since pre-independence days. It has now been renamed as the BAIF Development Research Foundation.

The vision of BAIF is to build a self-reliant, rural society assured of food security, safe drinking water, good health, gender equity, low child mortality, literacy, high moral values and a clean environment its mission is to create opportunities of gainful self-employment for the rural families, especially disadvantaged sections, ensuring sustainable livelihood,

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enriched environment, improved quality of life and good human values. This is being achieved through development research, effective use of local resources, extension of appropriate technologies and upgradation of skills and capabilities with community participation.

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Arvind N. Mafatlal is the Chairman of BAIF, and Girish G. Sohani is the President and the Managing Trustee. BAIF's donors and collaborators include the Government of India and various state governments, NABARD, Bill and Melinda Gates Foundation, bilateral and multi-lateral foreign aid organizations, international private foundations, NGOs and corporate houses, academic and research institutes, and individuals. BAIF has 3,000 employees.

Manibhai Desai was awarded the Padma Shree in 1968, the Ramon Magsaysay Public Service Award in 1982 and the Jamnalal Bajaj Award in 1983.