

Significance of Collective Action in Initiating Organized Broiler Farming

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Highlighting the need and the significance of collective action, the author talks about it in the context of organized broiler farming in Godda, Jharkhand.

INTRODUCTION

Sonamuni Devi, Chuneswari Devi and Biti Soren are going to withdraw money from their savings accounts. They smile with pride as they introduce themselves as poultry farmers of Godda Gramin Poultry Swabalambi Sahakari Samiti (GGPSSS) Ltd. through which they—landless and marginal poor women, who had little earning options at village—have been given an opportunity to earn a living. Similarly, 120 poultry farmers are highly motivated about the poultry rearing activity they are engaged in and their PI (Producers' Institution). They had explained about this activity to their families and neighbours, who had not only criticized them but had also created obstacles for them when they had set about starting and running this business. After having reared five batches of poultry and having sold the ready birds in the market, they are now confident about poultry rearing. But the journey to the present wasn't smooth. Initiating such an activity through an umbrella in Godda (a district of Jharkhand) where no exposure was held before on this regard was a huge struggle. There were many different aspects that were important when promoting broiler farming collectively. It was implemented as one of the special SGSY projects. This article discusses some of the important aspects of this venture.

BACKGROUND

I joined PRADAN in August 2007 in Godda district. I began work in Pathargama block of the district, mainly with 350 Other Backward Class (OBC) families of 21 Self Help Groups (SHGs), to promote different livelihood activities allied to agriculture. I felt helpless during the SHG meetings because many members had no land or owned very small pieces of land; most of them were compelled to migrate. I was keen to install a poultry plant as 'off farm' with 'on farm' activity simultaneously in my working area. Poultry rearing intervention involved huge sums of money. Coincidentally, the special SGSY project was announced and I got the opportunity to promote the intervention that I was interested in.

Special SGSY means Swarn Jayanti Gram Swarajgar Yojna project was sanctioned by the Ministry of Rural Development, Government of India for five districts—Godda, Dumka, Gumla, Khunti and Lohardaga of Jharkhand state for the financial years 2009–12. There were 23 different types of agriculture-allied activities, including vermi-compost, broiler farming and goat rearing.

There were five blocks where PRADAN had engaged SHGs (628) with different livelihood activities. The team had to decide where the 250 poultry sheds would be installed; it was time to risk taking loans for each beneficiary. Considering the landholdings, the road connectivity, the willingness to take risks and the marketing point of view, it was decided to promote the activity in Pathargama block.

BENEFICIARY SELECTION

The selection of beneficiaries was a key aspect in this activity. Several meetings and exposure visits were organized with the well-functioning SHGs, to help the villagers understand the concept, regarding operating through a collective, rearing technicalities, cost estimate of a poultry shed, working capital, grant and loan component, and making business plans. For the first time, 50 beneficiaries were selected, based on the below the poverty line (BPL) list, their interest, landholding (below 62 decimals), man power in the family, economic condition, willingness to take a loan for the shed, equipment, working capital, etc.

SETTING UP A PI: A KEY AREA

Poultry business is a high-risk business, totally dependent on a flexible market. The landless poor and the unskilled villagers could not take such a risk. A cooperative was, therefore, promoted for cost effectiveness, with collective procurement of inputs and sale of birds, to achieve economies of scale, and backward and forward integration so that no risk was involved except rearing at home.

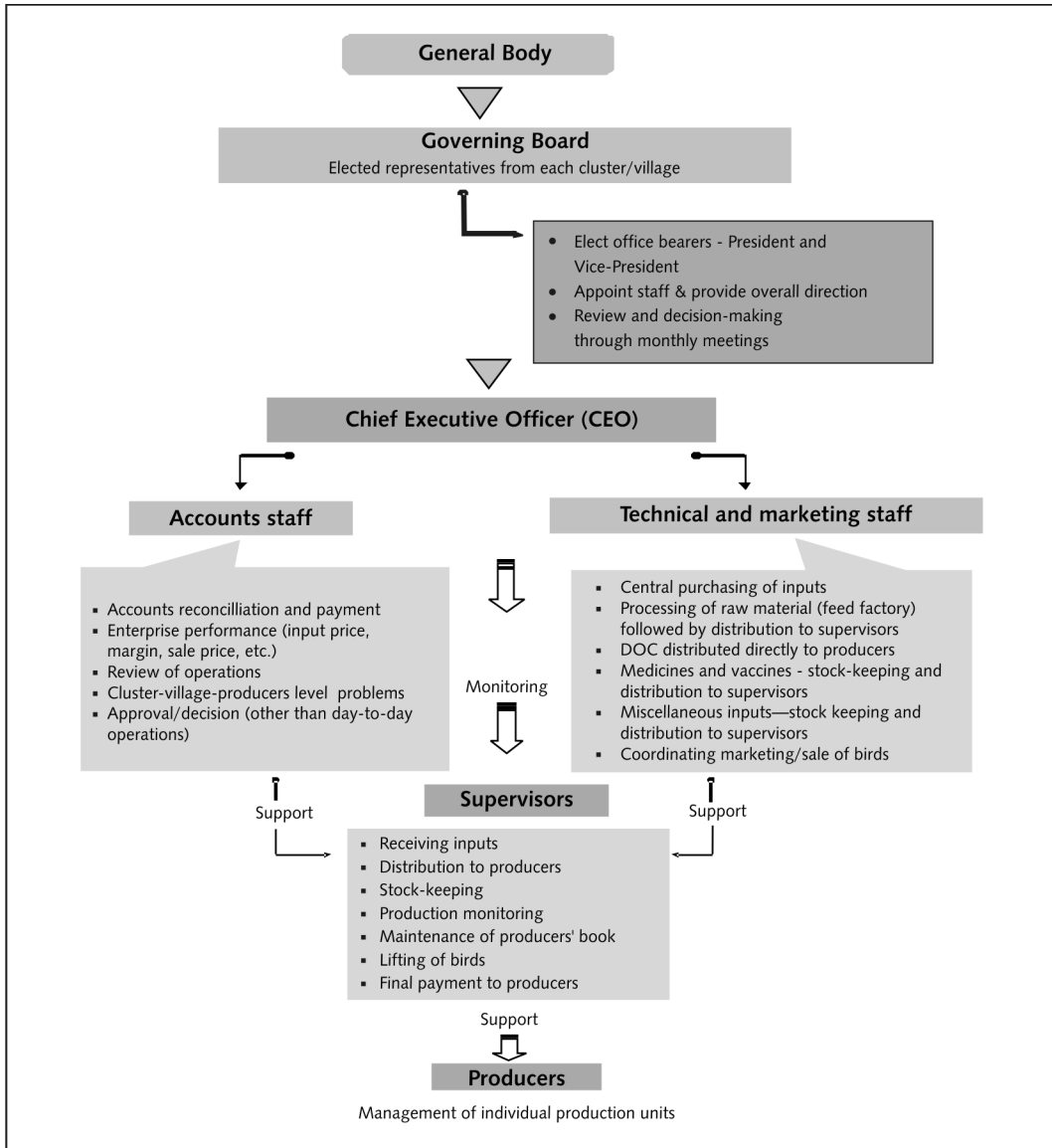
Formation and registration: In January 2010, one PI—GGPSSS Ltd.—was formed in a general meeting with the 50 beneficiaries of the existing 7 villages. The Governing Board members were selected. According to the decision of first Governing Board, 103

people became members by purchasing 10 shares (1 share was Rs 100) and by depositing Rs 20 as processing fee. They applied for legal registration next, following the Bihar Cooperative Registration Act 1996; the PI was registered on 14 August 2010.

Manpower: To ensure that the operations in the field and office ran smoothly, the stakeholders' cooperative recruited a CEO-cum-veterinary doctor so that he could coordinate the whole business process, including technicalities involved in the rearing area. Village-level supervisors were engaged for visits twice a day to each poultry shed in their respective area. One central supervisor was recruited to manage and follow-up on the operations of supervisors mainly at the field-level and report this to the CEO. One accountant was fully engaged with the maintenance of accounts, including the data entry in Udyog Munshi. Weekly review and planning meetings of all staff, conducted by the CEO, have been very fruitful for the co-operative.

Input and output management: The co-operative is accountable to the rearers for the arrangement of all the inputs and is expected to purchase equipment, bedding material, chicks, vitamin and minerals, medicine and vaccine, feed, etc., from different distributors and suppliers. Simultaneously, all the inputs are distributed to the beneficiaries through the supervisors. The CEO and the central supervisor are directly engaged in this operation. All the beneficiaries are bound to sell the outputs, for example, the ready birds, through the collective and not individually. The cooperative is responsible for establishing market linkages and building relationships with the buyers, who collect the birds from the poultry sheds. The CEO is in charge of this, and she fixes the price by taking the market rate into consideration. The cooperative

Fig. 1: Governance Structure of GGPSSS



sells its produce in the local (Godda and Mahagama) and nearby (Deoghar, Tinpahar and Bhagalpur) markets.

GOVERNANCE

According to the bylaws of GGPSSS Ltd., the Governing Board comprises 11 members (selected through the Annual General

Meeting, AGM, held once a year), including the CEO, supervisors, trainers, accountants and other technical and marketing staff paid by cooperative. Meetings of the Governing Board are held regularly once a month; village-level weekly meetings are helpful for taking decisions and sorting out different issues that arise in this business. An AGM was held on 29 July 2011, in which a new Governing Board,

including five new members from 150 poultry beneficiaries, was selected.

REARING AND TECHNICAL ASPECTS

The production cycle started in November 2010 in Godda. There were many technicalities involved, beginning with cleaning the sheds with medicine spray, applying lime in the sheds, using bricks to prepare for brooding, procuring the material and the medicines needed during the placement of chicks, applying glucose, procuring and arranging feed (pre-starter, starter and finisher) change according to the age, and applying medicines to control diseases. Beneficiaries manage aspects that they learn during one cycle. but different technical skills are required to control vulnerabilities and trained para veterinarian (supervisors) persons helped them.

ACCOUNTS AND AUDIT

Maintaining accounts is a very important component, especially when large volumes of money transactions are involved. The co-operatives maintain different types of cash books and registers for the input and output management; they make entries in the Udyog Munshi (the accounting software), pay the beneficiaries through the EI system. The audit for 2010–11 and the half yearly audit for 2011–12 has been completed.

TRAINING AND CAPACITY BUILDING

While the intervention was being initiated, a series of training programmes and exposure visits—covering the theory and the practice—were held. Each poultry rearing beneficiary underwent these, thereby enhancing her/his understanding of this activity and production skills. The financial aspects of the training are of major concern when a new cooperative is initiated; however, the contribution from the

Special SGSY projects made this viable. The training programmes organized were aimed at:

- ◆ Orientating the entrepreneur with broiler farming.
- ◆ Understanding the importance of collectivization.
- ◆ Providing a one-month, practical, in-house training of the supervisors
- ◆ Enabling accountants to work on Udyog Munshi and to create the MIS
- ◆ Providing the initial 7-day training to the beneficiaries on production and management.
- ◆ Creating awareness and motivating beneficiaries
- ◆ Training GB members every month.
- ◆ Conducting the AGM, including with sub-group activities (SGAs), to inform physical and financial status.
- ◆ Conducting a training of trainers.

CHALLENGES

- ◆ At the outset, during the community meetings in Gangtakala and Pathargama, the community was little inclined to take up broiler farming as a livelihood option. However, by organizing exposure visits, listening to each of their concerns, talking to the villagers individually and including audio visuals as part of the training, their initial doubts were allayed.
- ◆ The circular of the project stated that more than 90 per cent of the beneficiaries would be from BPL (below poverty line) families. However, there are many landless villagers, who were not given the BPL status and, hence, could not avail of the option.

- ◆ According to the project, the shed capacity had to be 400 sq ft for 400 birds. But PRADAN, Godda, decided to increase the shed capacity to 500 sq ft for 500 birds so that the beneficiary could earn more in the same time. For that another Rs. 10,000 as loan they had to bear and total Rs. 20,000 including Rs. 6,000 for equipment and interest that were to repaid with 30 equal instalments in coming five years.
- ◆ Another project component was that Rs. 6,000 had to be leveraged from the contribution of the *swarojgari* (beneficiaries) because it would help build ownership for the activity. This amount was difficult for a daily wage labour to arrange; however, motivational training and regular visits by PRADAN professional paid off. Most of them contributed through mason and wage labour, and by preparing bricks on their own during construction although it took a long time to complete the shed.
- ◆ The loan for the shed and the working capital were a big issue for a period of time. A batch cycle of 500 birds required about Rs 40,000. If 40 per cent of this amount, namely, Rs 24,000 were available, the cooperative could manage the whole cycle because the placement of chicks usually happens in a staggered manner. The government sanctioned a grant of only Rs 8,000. Rs 16,000 had to be garnered through a bank loan. The service area banks refused the loan. Next, the regional office of the Vananchal Grameen Bank (VGB) in Godda was approached, which too did not sanction the loan. The cooperative was unable to start production. The poultry federation* stepped in at this stage, and approached NABARD for a loan for the working capital (Rs 16,000) and equipment (Rs 6,000); this was sanctioned very soon. The remaining amount Rs 14,000 for shed construction had still to be raised; therefore, the SHGs took the amount from Dewan Foundation, Delhi, with the help of PRADAN.
- ◆ For sustainability, a feed mill was supposed to be constructed. Land was needed for the building. Two beneficiaries from Jamjori village agreed to donate the land. When construction began, another conflict arose because the building contractor did not work properly and the villagers opposed the work. The contractor was changed, and the feed mill took about a year to be completed. Feed production was to start within a month.

Table 1: Cost Estimate for Business

No.	Particulars	Grant	Own Contribution	Bank Loan	Loan Taken by Co-operative	Total
1	Poultry shed construction	28,000	8,000	14,000	00	50,000
2	Equipment	00	00	6,000	00	6,000
3	Working capital	8,000	00	00	16,000	24,000

- ♦ The conditions of the roads of every village in a poultry cluster were far from adequate for transporting the chicks, especially during the rainy season. The co-operative struggled to sell the ready birds as well as to store inputs at the feed godown.
- ♦ Most of the GB members did not understand the business process to take decisions initially. Regular inputs about the concept of a cooperative, the setting up of systems and clarity about their role helped groom them to make decisions. This year, five new members have been selected. In the first year, the cooperative felt the lack of experience of the members because every person engaged with this activity was new.
- ♦ Marketing initially was an issue because there was no exposure to this area. Chicken was supplied mainly from the Bengal market nearby. Entering that established market was difficult. The cooperative studied the demand of the market and entered it cautiously. Crucial for getting a reasonable rate for the ready bird is the timing of the placement of the chick. The co-operative was able to establish its own market.

IMPACT AND CHANGES

Many changes are visible after one year of beginning production on the target community as well as the PRADAN professional. One poultry farmer earned Rs. 2,500 per batch (highest amount paid was Rs. 5,800 from a cycle).

- ♦ The awareness level of the poultry farmer regarding the business aspect of poultry rearing is increasing. They feel empowered and have no hesitation in meeting officials, be they be from the

block, PRI and banks. They have also learned to voice their protest about an inconvenience. Their say in the family has increased, owing to the fact that they have now begun to earn money on a regular basis. Their dignity in society has also increased due to their enhanced economic status and because they are able to express their opinions on different platforms. There has been a huge demand for forming SHGs; now 50 SHGs were formed within the same poultry cluster that initially resisted the forming of SHGs.

- ♦ About 50 per cent of the poultry farmers are now conscious about their children's education. Most of them have purchased the necessary books for their children and have employed tutors to teach them. Many of them have sent their children to the hostels of well-recognized government and mission schools in the area.
- ♦ Some poultry farmers have retrieved the ornaments they had pledged and some of them have purchased new ones. It has been their dream to purchase ornaments of their own.
- ♦ The intervention allows both spouses to earn for the family. Most of the men in the family now no longer go outside to find jobs. With poultry rearing, they earn an income through the year.
- ♦ Field visits by District Magistrate, NABARD, Deputy District Commissioner, Godda, Block Development Officer, GTZ and their experiences in different forums helped to mobilize funds. Their appreciation encouraged and increased the confidence of the community and built exposure, thereby changing the perception in the area.