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Meeting farmers' needs for various inputs by establishing input retail shops & establishment of a flour mill

Case study of Aadarsh FPCL, Muzaffarpur

Aadarsh Farmer Producer Company Limited promoted and supported by M-CRIL/EDA and based at Kurhani, Muzaffarpur is owned by marginal farmers from Kurhani block, Muzaffarpur (Bihar). The FPC established an agricultural input retail shop in January 2016 to sell various authentic agricultural inputs at reasonable prices to farmers. The input shop sells inputs including urea, DAP, compost and seeds of various crops. Other input shops sell various inputs to farmers at higher prices and these inputs often are not available when farmers require. The FPO after obtaining necessary licenses from state departments to sell agricultural inputs started selling these inputs. The overall objective of the FPO for selling quality inputs was to reduce cost of crop production thereby increasing farmers' returns. After the success of this input retail shop, the BODs decided to establish 2 other smaller shops called as satellite shops in two villages. The FPO buys the various inputs from various distributors including Kisan Fertilizers, Om Traders, Fertilizer Centre, Shiv Shakti Traders, Lakshmi Traders, Ashok Grain Agency and Mahaveer Grain Agency.

Agro input shop promoted by Aadarsh FPCL



About 550 shareholder farmers from nearby villages purchase various inputs on a timely basis from these shops at reasonable prices. The shareholders of the FPO get discounts of Rs40 on urea of 50 kgs and 10-15% discount on other inputs. A typical farmer saves Rs1,500-Rs2,000 on an annual basis if he/she purchase various inputs from these retail input shops. Other benefits for the farmers include saving in travel/transportation cost of Rs50-100 per visit for buying inputs from city and saving in time. During 2016-17 and 2017-18, the FPC

sold various agricultural inputs including about 35.5 MT of various fertilizers worth Rs26 lakh.

Flour mill established by Aadarsh FPCL

Farmers from Kudhani block cultivates wheat. Based on the potential available in the area, Aadarsh FPC established a flour mill for its shareholders in 2018 with a total investment of Rs4 lakhs - EGCGF of Rs2 lakh from SFAC and Rs2 lakh from its own resources. The FPC procures wheat from farmers and process it and sells wheat flour in nearby cities Muzaffarpur and Samastipur.

During the FY 2018-19, the FPO sold 12 MT of wheat flour worth Rs2.25 lakh.



Encouraged with the success, the FPO plan to establish a mini pulse processing unit and 2 additional seasonal input retail counters in the villages which will be operative during the sowing of the major crops. Additionally, the FPC also plans to expand its wheat flour business going forward.

For more details please contact

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