

Workshop on  
Advancing Governance of  
Producer Organizations



Madurai Symposium 2013  
*Fostering Development Knowledge*

September 13, 2013



## Background

Since its inception in 2003, Madurai Symposium has emerged as a unique development platform which brings together various stakeholders, people/community institutions, civil societies, Government, NGOs, Banks, donors, philanthropies and academia to share, learn from each others' experience and practices and throws opportunities for collaborative endeavors. The Symposium attracts over 15,000 participants and the one being organized in 2013 is the sixth edition. The theme of the Symposium 2013 is 'Governance for Advancing Development'. The process of development hinges, it is often argued, on the availability of adequate resources, financial, human, etc. Over the years there is an increasing realization though resource is the most important necessary condition, it is not sufficient to ensure development process in a right and proper way.

Sustainability of the development programmes and processes from holistic perspective of social, economic, political and financial have been engaging our attention. For a long while now sustainability would not stem from mere availability of resources and it cannot be narrow-jacketed in a financial issue. This is where governance in its broader sense including leadership, husbanding the resources with equity, management culture, participatory process in management, etc assumes critical importance in

development. In the same vein governance being a much larger and complex issue and qualitatively different, there is a need to put that in a context of various development programmes and identify and address those issues of governance relevant to each of the programmes. It is with this understanding from a broader and contextual perspective, this Symposium would focus on governance of some of the topical and nationally important programmes such as poverty reduction, water, agriculture in small and marginal holdings particularly tank based and rainfed programmes, environment, microfinance, panchayats, digital divide, financial inclusion process, Producer Organizations(PO) etc.

## Producer Organization

The farmers /small producers are mostly unorganized and they do not have required skills and knowledge for the quality production, higher productivity, value addition and marketing their produce. The producers are mostly exploited by the middle men who take lion share's of profit by adopting unfair trade practices. If they are organized into Producer Organization they would be accessible to the above and effective in their operations. So there is a need for promoting producer organization for the small farmers to realize better price and increased income. Hence with the initiative of Government, NGOs and other institutions, producers are organized into groups, trust, societies, institutions, and companies by

registering into trust, society and companies under relevant acts. Each institution has its own merits and demerits. Government of India has made changes in the Companies Act, 1956 by inserting part IX A through Companies Amendment Act 2002 for introducing Producers Company under section 581 It has the advantages of cooperatives, producer groups and companies both public and private limited.

### **Present Status in Tamil Nadu**

In TamilNadu there are about 39 producer organizations promoted from 2002 till now. Very few producer organizations are functioning successfully and most of the producer organizations are suffering due to various problems. One of the serious problems affecting the performance of the producer organization is the governance. To address this issue a workshop on governance of producer organizations is organized on 13th of September 2013 at Thamukkam grounds, Madurai.

### **Governance**

Governance is a system of rules, practices and processes by which a company is managed

Good governance is one, which is

- ✍ participatory, transparent, accountable, effective, equitable and promote the rule of law
- Ref.UNDP

### **Objectives of the Workshop**

1. To study different types of governance adapted by different Producer Organizations.
2. To identify the issues in different types of governance.
3. To develop an acceptable functional models of governance.

### **Stakeholders**

1. Small and Marginal farmers.
2. Representatives from Producer organizations.
3. Representatives from resource institutions promoting producer organizations.
4. Department of Agricultural marketing of Government of Tamilnadu.
5. Representatives from Small farmers Agri-Business Consortium.
6. Representatives from Micro-Enterprises.
7. Non-Government organizations.
8. Banks/NABARD.
9. Company Secretaries.
10. Auditors.

### **Outcome**

- ✍ A functional model of Governance for producer organizations is evolved.
- ✍ Suggestions to Government for policy changes needed in promoting producer organizations.

## **Kalanjium Thozhilagam Limited**

Kalanjium Thozhilagam Limited (KTL), a development enterprise for poor and a public limited Company, is the business initiative of DHAN Foundation, promoted by business based poor people's organizations, with the objective of improving their income and making their life sustainable through business intervention. It is people owned; people governed and professionally managed organization. It has been catering to the business needs of the poor people for more than a decade, with Madurai in Tamil Nadu as its headquarters.

An exclusive business team has been formed with experienced professionals from the business divisions of Corporate Companies who are pioneers in rural marketing. Their rich experience facilitates to understand the needs of the target groups who are poor. KTL facilitated the promotion of more than 10 producer organizations.

## **Tamil Nadu Small Farmers Agri-business consortium**

Tamil Nadu Small Farmers' Agri Business Consortium (TNSFAC) has been constituted as per Govt. order G.O. Ms.No.149, Agricultural (AM3) Department, Govt. of Tamil Nadu, as a Public Private Joint Venture Society in the interest of helping the farmers in strengthening the linkages and other aspects from farm gate to ultimate consumer market. The TNSFAC is to link the small farmers to both technologies as well as market in association with private, corporate, cooperative sectors by providing both backward and forward linkage. The main objective of TNSFAC is focused on increased production and productivity value addition, provision of efficient linkages between producers and consumers, empowerment of rural people, availability of credit, access to technology and assured remunerative price for their produce through institutional development, finding research and development activities, etc.

*For further information please contact:*

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