“Organization of small scale farmers and its benefits”
National Center for Sustainable Aquaculture (NaCSA)
(MPEDA, Ministry of Commerce and Industry)
Strengthening the capacity of small holder ASEAN farmers for competitive and sustainable aquaculture 3-7th August, 09, Bangkok.

Outline

1. Background
2. Objectives of NaCSA
3. Society Organization
4. Society Management
5. Benefits of organizing as societies:
6. Lessons learnt
7. Way forward
1. Background

The five year collaborative project work of Marine Products Export Development Authority (MPEDA)-NACA (2002-2006) provided the basis for the establishment of NaCSA. MPEDA-NACA project created a movement through cluster concept that empowers the marginalized and the poor in the aquaculture sector by addressing economic, environmental and Social issues. This programme has been highly successful in providing a foundation for participatory movement through a “bottom up” approach.

Progress

312 Societies (as of today), 7402 farmers and 8616 ha area
1. Objectives of NaCSA

1. Promoting science-based management to improve aquaculture sustainability through participatory approach.
2. Capacity-building and empowerment of small scale farmers
3. Facilitating improved service provision
4. Facilitating market access
5. Facilitating interaction among stakeholders

Process of Society Organization

**Phase 1**
- Identification of Area
- Conducting of farmers meeting

**Phase 2**
- Selection of leader
- Legalization
- Bylaws and SOP’s
- Maintenance of records

**Phase 3**
- Demonstration of BMPs
- Involvement of more farmers
- Stabilization of societies
Phase 1a. Identification of area for Society.

There should be a group of min. 20 farmers whose shrimp ponds situated preferably in a same locality usually all pond dependent on the same water source.

Phase 1b - Farmer meetings

- Organize informal meetings with prospective group members to discuss the purpose, methods of operation and benefits of groups
- All the farmers in the area must be involved
- Key motivating factors for organizing society are
  - Common interest
  - Economic benefit
  - Better services
Farmer meetings are key for organizing societies

Phase 2a. Selection of a leader.

- Selection of a leader is a democratic process
- Leader is normally a senior farmer in that society.
- Have vision and foresight in the shrimp farming
- Have a personal interest in developing and managing the society
- Helping attitude and respect for others with skills in conflict management
- Society provided a mechanism for management - physical boundary with limited members
Phase 2b. Legalization

• All the society farms are registered with Government
• Societies are registered with Ministry of Revenue
• Societies registered with MPEDA
• Societies have clear organization with by-laws.
• Societies have SOPs (BMPs)
• Subject to annual audits by government officials to verify accounts and ensure a democratic and transparent management.

Phase-2c. Record maintenance

• Map of the society with ID numbers
• Register of members
• The minutes book
• Account book
  • Accounts of all sums of money received and expended by the society and their respective purposes
  • Accounts of all purchases and sales of goods by the society
  • Accounts of all assets and liabilities of the society
• Crop planning details & data records
Benefits of Cluster Approach

Phase 3- Stabilization of Societies through empowering Small Scale Farmers

1. Societies have become legal entities.
2. Improved farming skills and technical knowledge
3. Improved cooperation and information exchange.
4. Middlemen being eliminated at all levels.
5. Reduced cost of production and improved profits
6. Ideal model for farmers to meet the market requirements
7. Increased stakeholder interaction
8. Giving voice to voiceless small scale farmers
9. Increased social responsibility
10. Environmental Sustainability
1. Societies comply with applicable local and national laws
Organised societies increased the farmers capacity to meet Government regulations in shrimp farming

2. Improved farming skills and technical knowledge.
Improved farming skills through
- Implementation of simple, science based farm practices through participatory approach
- Training
- Demonstration

Improved knowledge in
- Market requirements (food safety, traceability)
- New species (Vannamei)
- Organic aquaculture
3. Improved cooperation and exchange of information.

- Information sharing among farmers reduced disease risks.
- Increased co-operation led to improved bargaining power while buying farm inputs.
- Cooperation in selecting/testing and buying seeds reduced cost and improved quality.
- Increased co-operation led to improvements in shared common facilities (eg. deepening inlets, drains etc).
- Cooperation reduced costs and improved profits for all the cluster farmers.

4. Middlemen/agents being eliminated at all levels.

- Seed agents- Through contract hatchery system.
  - In 2009 societies have purchased about 100 million contract hatchery seed through paying premium price.
- Loan agents- Through linking farmers to banks.
- Purchase agents: Through direct linking farmers to local processors.
5. Reduced cost of production and improved profits

<table>
<thead>
<tr>
<th>Year</th>
<th>BMP ponds</th>
<th>Non BMP</th>
<th>+/-%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>82%</td>
<td>89%</td>
<td>+7%</td>
</tr>
<tr>
<td>2004</td>
<td>37%</td>
<td>52%</td>
<td>+20%</td>
</tr>
<tr>
<td>2005</td>
<td>15%</td>
<td>42%</td>
<td>+27%</td>
</tr>
<tr>
<td>2006</td>
<td>17%</td>
<td>44%</td>
<td>+27%</td>
</tr>
<tr>
<td>2009</td>
<td>21%</td>
<td>&gt;50%</td>
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</tbody>
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- Efficient use of resources.
- Reduced chemical use
- Sharing of expenses

Better opportunity for common infrastructure development

a. Electrification of farms
   - Only 7% of the shrimp farms are electrified-Govt. support for societies for electrification
   - Reduction in the electricity tariff
b. Repair and deepening of common inlet and drains
c. Building of roads and bridges
d. Common Effluent Treatment System
6. Ideal model for farmers to meet the market requirements

- Legality of the farm operation
- Food safety
- Traceability-Farm to Fork
- Environmental sustainability
- Social Responsibility
- Mechanism to link with buyers/retailers directly
- Improvements/transparency in production/processing chain
- Possibility of cluster/Fair-trade certification

Negative publicity about farmed Shrimp

- “The environment has been degraded and human rights have been abused to bring us this luxury food product. Demand only sustainable, ethically produced shrimp”
  - Setting up the farms involve wreaking havoc on the environment and communities, depriving people of their livelihoods
  - Poison that comes in shells- Shrimp farmers use the atom bomb of all antibiotics – chloramphenicol which can cause genetic damage, cancer.
  - Shrimp are on the Monterey Bay Aquarium’s red list.
  - Aggressive “Think local – Buy local” Campaign in the West
Cluster Certification

- NATURLAND Cluster certification for Organic scampi
- NACA-NaCSA developing “Cluster Certification Guidelines”.
- NaCSA is working with Fair trade Foundation to take up pilot testing of “fair trade standards for small scale shrimp farmer societies” in India.
- Independent certifiers showing interest in societies for cluster certification

7. Increased stakeholder interaction and involvement with the societies
### Benefits for Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Benefits</th>
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<tbody>
<tr>
<td>1. Input suppliers</td>
<td>• Bulk sale and premium price for quality inputs</td>
</tr>
<tr>
<td>2. Exporters</td>
<td>• Contract buying, adv. Similar to integrated units</td>
</tr>
<tr>
<td>3. Retailers</td>
<td>• Work as Corporate Social Responsibility (CSR)</td>
</tr>
<tr>
<td>4. Consumers</td>
<td>• Traceable, safe product</td>
</tr>
<tr>
<td>5. Research Institutes</td>
<td>• Increased information flow from field</td>
</tr>
<tr>
<td>6. Financial Institutions</td>
<td>• Reduced risk on investment</td>
</tr>
<tr>
<td>7. Govt./ Policy makers</td>
<td>• Formulation and implementation of policies based on actual need of farmers.</td>
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<tr>
<td>8. International institutes</td>
<td>• Strengthening of Institutional capacity to improve management of the small scale Aquaculture sector</td>
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<tr>
<td>9. Environment</td>
<td>• Reduced pollution</td>
</tr>
<tr>
<td>10. Society</td>
<td>• Rural employment and rural development</td>
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### 8. Giving voice to voiceless farmers

- They now have access to policy makers and developmental agencies.
- Bringing the issues to the notice of policy makers
- Two of the society presidents are NaCSA Governing Council Members
- Taken notice by media
- Taken notice by the regulatory agencies.
Bringing policy changes

- The MPEDA-NACA and NaCSA work has helped create change towards policies that are more favorable to the small-scale shrimp farmer.
- The Ministry of Commerce and Industry has approved a scheme on Registration of Aquaculture Societies with a total outlay US$ 625,000 during the 10th plan period.
- Other Govt. organizations evincing interest to help cluster farmers for development of infrastructure.
- Benefits can reach farmers

9. Increased Social Responsibility

- Collective planning and shared responsibility has reduced vulnerability of small farmers
- No child labor, fair wages being paid to farm workers, this needs to be documented.
- Planning to link bank credit to “Health insurance for whole family of society farmers”
- Increased involvement of women in shrimp farming activities.
- Alternative livelihood for fishermen
10. Improving Environmental Sustainability

- As per CAA farm registration norms, max. stocking density is 10 shrimp/m².
- Low stocking density, low input based (US$ 2000 to 5000) farming system in society farms.
- Assisting 200 societies switch from diesel to electricity, by this 2.4 million litre diesel will be saved (5400 tons reduction in CO₂ emission).
- Use of ground water is discouraged. Reduced disease incidence reduces the reliance on ground water.

Revival of abandoned shrimp ponds

- Worked with six societies in abandoned areas in 2008-09
- Successful crop in more than 5 years
- Low cost of production, earned good profits
- Profit per ha. was US$ 1202 with production of 410 kg/ha.
- So far 79 Societies, 1914 farmers, 2074 ha.
- 10,000 ha of abandoned shrimp ponds could be revived in next two years.
Lessons learnt

- A few common interests can hold them together in a group.
- Good leaders are key for society management
- Farmer groups can have stronger negotiation power with the input suppliers and traders.
- Revival of the shrimp sector is possible through farmer groups.
- It should be recognised that this support takes time, investments in capacity building.
- Organising small scale farmers and bringing change is not an easy task.
- Requires dedicated team work with relentless effort
Way Forward

- Revival of shrimp farming
- Targeting 500 societies this year
- Involve all the stakeholders
- Responsible introduction of exotic species
- Assist Regulatory authorities
- Ensure implementation of guidelines
- Reduce Cost of Production
- Electricity
- Bank Credit and insurance
- Cluster Certification
- Pilot NaCSA-NACA-WWF Project
- Expand to all societies
- Link Farmers to Policy makers
- Influence Local Govt. policies
- Influence Central Govt. policies

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- All society farmers
Thank You