

Guideline for Promotion of Producer Group
Under
Mizoram State Rural Livelihoods Mission (MzSRLM)



Mizoram State Rural Livelihoods Mission (MzSRLM)

RURAL DEVELOPMENT DEPARTMENT

AIZAWL, MIZORAM

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1.0 Producer Group

1.1 Context

Mizoram State Rural Livelihoods Mission (MzSRLM) with a vision “Building strong community where women are treated equal with men. A developed community where women take active participation for family and society is a vision of this project. After completion of this project, women community is expected to be more organised and significant in the society with a better sustainable income generating activity. More respect will be given to the working women who earn for the family through their own deserving effort and will be protected from domestic violence” has been implementing the Mahila Kisan Sashaktikaran Pariyojana (MKSP) project since 2017. The major goals and objectives of the project are to help and organise the working women to have a better income through group approach activity and to give them livelihood based activity for sustainable income. In particular, special concern will be given to widow, divorced and women of poorest of the poor who have the capacity to work. Providing employment to the landless, small and marginal farmers with special attention to women in rural areas through increasing productivity and production of land based and non land base activities.

The land holding pattern of the project districts reflect dominance of both marginal and small farmers which are found to be almost in proportion of 4:3.5. Marginal farmers dominate (44.5%) followed by small farmers (37%). Semi-medium and Medium farmers cover about 18%. The large farmers are very negligible. Due to large percentage of farmers are small and marginal farmers therefore aggregation of products of the small and scattered producers, particularly in the context of difficult terrains of the region, is the pre-requisite for any successful value addition or for better price realisation of primary produce. Thus, collectivizing the primary producers of similar products (farm and non-farm) into some formal groups or organizations will enable them to leverage the economies of scale in accessing various services (technical and financial) and better bargaining power and participate in higher order value addition activities. In view of the above, MzSRLM aims to promote producers’ Groups (PGs) in its project areas which will be owned by its primary producer members.

1.2 Producer Group under MzSRLM

A producers’ group (PG) shall consist of 20 – 100 primary women producers- varying the membership from activity to activity. Member producers will be located desirably within one or cluster of villages, which are doing similar livelihood activities and interested to come together.

A producer group is a business organization owned and managed by the poor and marginal producers or small entrepreneur for their mutual benefit to access to common facilities like infrastructure, capacity building, hand-holding, financial support & markets linkages on a sustainable basis. The producer groups will be organized only when there is opportunity of collectivization, aggregation, value addition and marketing of farm and non-farm commodities. The producer group hereinafter shall be treated as base level unit at village or GP either registered under suitable Act or unregistered can federate and form farmer producer organization with primary producer as member. As the producer group is intended to bring farmers under an umbrella of economic organization/a business organization, it means to take

care of their products collectivization, processing, value addition, social, economic need including marketing. So, producer group can be of two types –

Type 1: PG linked with PO where PG act as member supplier of PO and also recipient of PO services who will prepare their activity plan

Type 2: Independent (stand alone) PGs linked directly with market that will develop their business plan and carry out business interventions independently

The idea of forming producer group is to create a platform for poor producers that will enable them reliable and affordable access to livelihood support service and market linkage at the village level. The groups are building blocks for the producer and hence attention and care is needed in terms of institutional development of the producer group. Producer federation can be done at block or district level depending upon few critical factors like the size of membership in each producer group, nature of livelihood activities practiced in the geography, proximity between villages, business volume etc. A PG can be formed in a village / GP with minimum member of 20 & maximum 100 members (the upper limit is flexible). However, with consensus of PG members, a PG or a group of such PGs can promote themselves to Producer Company. The PGs shall be treated as farmer producer organization. The PG shall have option for getting registered under suitable act like Producers Company, cooperative or any other enabling act . The size of the producer groups would be determined by value and nature of the produces.

1.3 Rationale of promoting producer groups under MzSRLM

Rural economy in Mizoram is mainly dependent on agriculture and allied activities. Due to its peculiar agro climatic condition, horticulture crops grow really well which is one of the major sources of income for the farming families. In horticulture crops- arecanut, orange, ginger, lemon, squash are major crops. In Serchhip areas, crops like pineapple, banana, ginger have greater market potential whereas in Kolasib areas, vegetables like squash, plantation crops of arecanut has got higher market demand. During various field level interactions with community, it was observed that marketing of fresh fruits and vegetables are always challenges, mostly dependent on middle man from plain areas of Assam, mostly from Silchar. When profit margins are high; middle man often visit the villages and collect the produce at a pre determined price, however during the low price situations, farmers find it difficult to sale out the products as visit of middleman is less due to low profitability for them. Due to bad roads and terrain, transportation of fresh fruits and vegetables is always a challenge, the other challenge is about storage of farm produce, in village of Kolasib and Serchhip, availability of cold storage is not there which makes it difficult for farmers to keep the fruits and vegetables for sale at a later time with better prices. Production challenges are also there in case of citrus, pest and diseases, crisis of water due to erratic rainfalls have lowered down the productivity of the crops. This production challenges also needs sustainable long term solutions for growth and prosperity of farm sector in the state. In case of livestock farming, quality feed, timely supply of piglets, poultry birds, medicines – dewormers, preventive vaccines are always a challenge for small farmers. Supplies are mostly dependent from outside state and are irregular; assurance of quality is also not there. To address these multifaceted issues of small and marginal farmers of

MzSRLM working area, it is important to mobilize farmers into village level producers group so that they can further address these issues collectively.

The formation of PGs would benefit the small and marginal women farmers through –

1. **Economies of scale and increased bargaining power:** PGs bring together the business activities of many individual small-scale producers and thereby increase the overall scale which would lower business costs and enable high volume, improved quality, and consistency in supply. PEs can increase small-scale producers' bargaining power by achieving large volume and therefore negotiate better prices.
2. **Improved market reach-** Most small-scale producers are unable to get a good price for their produce because they are unable to access markets where prices are higher. PGs can enable them to access remunerative markets by achieving the scale necessary to deal with buyers in these markets, or by value addition to the commodities to access higher value markets.
3. **Access to finance** – financing is a key challenge for small and marginal farmers, PGs can access institutional finance.
4. **Risk mitigation** – with the increased bargaining power and access to better markets, PGs can help small and marginal farmers mitigate market risks by offering competitive price for the commodities.
5. **Improved access to extension services** – PGs provide production related technical and technological services including input services, conduct training and capacity building activities.
6. **Increased policy influence** – Federation of PGs can provide the platform for producers to promote their interests and influence policies in the local, national and even international environment that affect their business and livelihood.

2.0 Formation of Producer Group

The formation of producer group depends on the nature of livelihood activity members are engaged with. In case of Mizoram, it is observed that same farmer is engaged in multiple livelihood activities, one farmer rearing pigs is also engaged in orange cultivation as well as ginger cultivation. Hence formation of producer groups with solo activity may not be a very feasible option in this case. It is recommended to form PGs with focus on collectivizing all the farmers under one umbrella, PG will not only engaged in one or the other activity but try to select major economic activities in the village and try to work on all those, for example- in a village of 100 farmers, all the farmers can be members of PG and the major 5-6 products are taken care by PG in terms of market linkage, technical support, drawing infrastructure support, backward linkages, mutual help.

2.1 Objectives and Scope of producer group

Producer groups can play a vital role in solving techno-managerial challenges with respect to farm produce marketing, input arrangements, providing technical knowledge to farmers, leveraging government and non government support to enhance asset base for farmers etc.

Seeing the gaps in terms of product marketing and also scope of product improvement, PG can be visualized to provide the below mentioned services to its producer members-

(a) At initiation PG will collect market information and disseminate the same to its members for enhancing bargaining power of producers

At present, farmers don't have much information on consumer prices, costs of transportation, commissions levied by the middleman which makes it difficult for producers to bargain on prices, whatever prices are quoted by the middleman, they have to sale it at the price. In this context, PG can play a significant role by bringing in market information to the producers, PG can collect the market information from different regional markets (Shillong, Silchar, Guwahati) also they can track the trends of prices in distant markets of Delhi and Siliguri. This will enhance knowledge and bargain power of the producers.

(b) Creating market opportunities

PG will develop relationships with buyers from different areas for its major commodities such as pineapple, orange, squash, ginger. PG will try to bring in more and more traders to the village and will also help in getting proper accommodation, collection centre for the buyers. Basic marketing facilities are not available in present situation which makes it inconvenient for traders. Trader mostly stays at paying guests for 15-20 days during marketing season, if PG can provide such accommodation along with place for product aggregation, this will attract more traders to the villages.

(c) PG later on will be active in related to collectivization, processing and marketing of produce (farm and off farm) of the producer member

PG later on can act as a marketing agency where they collect farm produce and directly sale it in distant markets with better prices, however lot of skill building needs to be done before starting such business. After setting up PGs, MzSRLM will explore suitability of PG as a business entity, if not higher level federation at block or district level will come up with business models for product marketing.

(d) PG will provide technical support to its member through regular trainings in collaboration with different departments

PG can be effective in leveraging technical knowledge from different government and non government agencies. National livestock mission, National Horticulture Mission, ATMA etc. are operation in the villages, the PG will act as a platform to discuss different technical aspects/ advancements which are focused under this programme. PG will invite respective in-charges of these organizations during training events and take support from them.

(e) PG will provide farm machineries to producers on rent

Custom hiring centre facilities can be run through PG; PG may purchase the required farm machines and rent it to its members as well as non members. The rates of the renting will be calculated based on maintenance needs of the machines, depreciations, operating costs etc.

(f) Leveraging fund for infrastructures

Challenges in plantation and vegetable crops are mostly are around availability of irrigation water. During summer due to lack of water, fruit drop occurs in orange plantation. Another challenge is transporting the produces from fields to the village; link road construction can be effective. In case of livestock construction of shed, sty requires huge investment which is difficult for small farmers. It is envisaged that the PG will be active in drawing resources from departments and non government organizations.

(g) Mutual support in livelihood activities

Field cleaning, slash and burn, weeding, transporting requires lot of manual effort, PG can plan to support the farmers in some of the activities which in turn give farmers a space to think about increasing production as well as area under cultivation.

Scope of Intervention

1. Information and market linkage
2. Techno-managerial support to small farmers in terms of production, post production processes
3. Quality management through aggregation, sorting, grading
4. Risk management- Trading, Insurance

2.2 Organization Structure of Producer Groups (PGs)

2.2.1 Membership of PG

MzSRLM has a mandate to work with women farmer under MKSP, so the primary member of the PG will be women primary producer from a rural household. SHG members can only be a member of PG. Member must be an Indian citizen, 18 years and above age. MzSRLM is working in a saturation approach, hence it is assumed that all the farmers will be a part of the PG in future, it is expected that 40-50% farmers will be able to attain membership at present as **50% HH are only involved in self help groups**. Membership is voluntary and members have to abide by the norms and rules of PG, which is stated in the by-laws of PG.

Norms for membership:

- (a) Must be a SHG member, 18 years and above.
- (b) Should be primary producer (like, livestock rearer, agriculture farmer, horticulture farmer, fishery farmer, weavers & artisans, etc.)

- (c) Only single membership only female, will be allowed per household.
- (d) A member shall belong to the same village or adjoining villages producing similar products.
- (e) A member shall be required to abide by the rules and regulations of the PG.
- (f) A member shall be ready to pay annual or regular contribution as per the group decision.
- (g) Should have participation from PoP section, if PIP has been done in the villages, then at least 25% of the PG members has to be from PoP category.

Registration fee and Membership Fee:

It is suggested that PG may collect INR 50 (Rs. Fifty) as registration fee from each member to meet the initial expenditure of the group like – opening bank account, making seal, buying books etc. It was also suggested that PG may collect INR 100 (Rs. One hundred) as monthly saving from each PG member to build the own working capital for input and output trading.

Exit norms of members

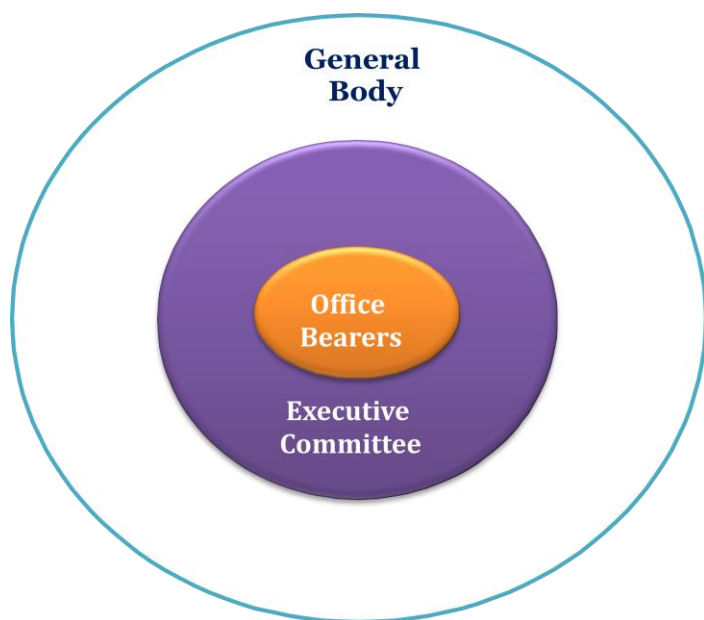
A member willing to withdraw from the producer group has to submit an application to the president of PG citing reasons, PG in its monthly meeting will decide on the withdrawal of membership, after discussion PG will come to a final decision, similarly for termination of membership due to absence from meeting, non adherence to group norms, not performing roles and responsibilities will also be discussed and decided in the group meeting.

2.2.2 Governance of Producer Group

General Body: The General Body will be the principal decision making body of the Producers' Group and will comprise of all the members of the group. The general body will meet at least once in three months with a quorum of two third of its members.

Functions of General Body:

1. Executive committee will develop business plan/ activity plan for the financial year, General body will approve the plan in annual general meeting
2. General body will verify and approve the financial statements
3. GB can call meeting in case of any urgent need felt by the members and has the power to dissolve the executive committee



Executive Committee (EC):

Governance in a member based organization is difficult since engaging all the members in decision making, problem solving etc. will take lots of time and energy which will not be an easy job for the organization. To solve this issue, an executive committee will be formed, this executive committee will have representatives from different self help groups, it will ensure representation of primary women producers from all the self help groups. Selection of executive committee members will be done by self help groups, each self help group will select two primary producers who will represent the SHG in producer group's meetings. Total number of executive committee member will depend on number of SHGs in the village. It is better to select the representative from the Village Organisation (VO) executive committee members only, this will help in exchange of ideas, effective communication between producer group and village organization.

Functions of Executive committee-

1. Organize monthly meetings to review progress and make plan
2. Decision making body for regular activity/business transactions
3. Facilitate and review the functioning of sub committees and service providers
4. Preparing action plan and budgets
5. Liaison and leverage resources from different stakeholders
6. Organizing training events, inviting resource agencies/persons, organizing exposures

The Office Bearers (OB) will be accountable to the EC for their day to day activity. The EC shall meet at least once in a month with a quorum of two third of its members. 30% of the EC members shall change and be re-elected every year by the General Body. A member of the EC can serve not more than 3 years in the committee.

Office Bearers

Office Bearers are a team of three leaders selected by the EC for a fixed tenure of two years, to run the day to day operations of the Producers' Group. They are President, Secretary and the Treasurer and their roles and responsibilities are given below. They will be the bank account operators for the producer group.

Roles and Responsibility of Office bearers:

(a) Role of President:

- ✚ To chair the meetings and facilitate discussions engaging all members
- ✚ To help the group arrive at decisions
- ✚ To oversee implementation of group decisions
- ✚ To represent the group in different forums and meetings/seminars
- ✚ To support conflict resolution efforts
- ✚ Facilitate linkage and key person in developing functional linkage with relevant stakeholders

(b) Role of Secretary:

- ✦ The secretary shall be in charge of all the correspondence and records of the producer group, keep the meeting minutes
- ✦ To convene meetings in consultation with President
- ✦ To set the agenda for the meetings
- ✦ To ensure attendance and participation of members
- ✦ To get the minutes of discussions recorded
- ✦ To execute the decisions of the Group
- ✦ To report the members on the progress of groups activity
- ✦ To coordinate and facilitate linkage with public and private agencies.
- ✦ Preparation of various reports, submission of monthly progress report to the VO

(c) Role of the Treasurer:

- ✦ To become custodian of cash and bank balance of the group
- ✦ To ensure safeguarding and accounting for all funds received by the group
- ✦ To issue receipts for the fund received
- ✦ To arrange up to date record keeping
- ✦ To present financial picture of the group from time to time
- ✦ To finalize accounts at the end of each fiscal year and facilitate timely audit
- ✦ Ensure audit by inviting BMKs of VO for the same
- ✦ At least 1 audits per year

2.2.3 Operations

To operate smoothly PG executive body can develop sub committees; thematic sub committees will have responsibilities of developing a particular theme. Sub-committees can be :

1. Marketing Sub Committee

Marketing sub committee in PG executive body will have responsibilities of developing market linkage, assessing volume of production, arranging place for aggregation, sorting, grading, logistical arrangement for traders, maintaining functional relationship with trader, indent generation for input procurement (piglet, bio-control agents for IPM in vegetables and horticulture, tablets, bolus, de-wormers for animals etc.)

2. Custom Hiring Center Management Committee

Primary roles of CHC management committee is to decide what types of machines need to be purchased based on evaluation of member needs, arranging/ generating options for funding to purchase the machines, also explore options of having subsidies from government schemes, finalization of rental systems, tracking rent status regularly, monitor machine use and maintenance needs etc.

3. Finance and book keeping Committee

To monitor the work of accountant, checking of bills, vouchers of CHC, check the indent lists of CHC, presenting the financial status to the PG in meetings etc.

4. Production Facilitation Committee

Depending upon the nature of activities the producer group plans to take up, the Executive committee members can decide upon engaging service providers.

2.3 Community Cadres under Producer Groups (PGs)

Although Community cadres are working under the Village Organisation (VO), but they will be engaged under the village level Producers Organisation for improvement of livelihoods of the primary producers. Considering the volume of business and expected revenue from the PG activities, it will not be financially viable to keeping multiple persons under PG. So, one cadre need to perform multiple task and MzSRLM need to build the capabilities of the cadre accordingly. The major community cadres may hosted under PGs are -

- (a) Community Resource Person (Livestock):** In case of livestock, technical support is required for proper housing management, feed management and health care. Trained livestock CRP can be effective in supporting the activities, time to time training, on field support can be provided by the CRP- Livestock. Producer groups with bulk production requires to have a better market linkage to move out their produces to distant markets with better prices, CRP (Livestock) can be very useful for carrying out input and output marketing related operations of livestock. It is expected that CRP (Livestock) will collect information on market prices, aggregate the produce, support farmer in bulk input marketing and output trading.
- (b) Community Resource Person (Agriculture):** For productivity enhancement of agriculture commodities, Agriculture CRP can support the farmers in seed, soil, and nutrient and disease pest management under different crops. CRP (Agriculture) also help the farmers in bulk input procurement and output marking so that farmer get better market for their produces.
- (c) Community Resource Person (Accounts and Book keeping):** There will not be any separate cadre for Account and book keeping. Among the CRP (livestock) and CRP (Agriculture), PG in consultation with VO assign the account and book keeping to CRP(Livestock) or CRP (Agriculture) base on their knowledge and skill set and availability of time. The Secretary and Treasurer of the PG will assist and monitor the concern CRP.

2.2.4 Process of Promoting and Nurturing Producer Groups (PGs)

Pre Formation stage

A. Identification of Area of Intervention¹

A.1 Assessment of potential for PGs

The key factors to be considered while assessing the potential for establishing PGs –

1. **Geography focused** - The assessment should be geography and stakeholder centric and *not commodity centric*. The area should be contiguous and the target group would be small and marginal women farmers.
2. **Cluster approach** – the focus should be on a cluster approach i.e. in areas where there are existing clusters of one or more commodities.
3. **Participatory value chain development methodology** – the approach to commodity shortlisting and identification of intervention should focus not only on data, rather it should focus on deriving the information from discussion with the community including SHG and federation members and identifying the critical value chain gaps.
4. **Market led approach** – An assessment of the markets and demand, both local and distant, should be undertaken for the shortlisting of commodities.

A.2 Scope of intervention based on value chain gap analysis and centrality

1. **Selection of geography** – MzSRLM should identify the geography based on the extent to which community mobilization into SHG's has taken place. It is preferred to take up the interventions in resource blocks where the mobilization of the poor is nearly saturated.
2. **List of potential commodities** – The Livelihoods Coordinator must conduct primary and secondary analysis to prepare a list of the commodities (format is provided as **annexure-I**) or economic activities (agriculture, NTFP, dairying etc.) that are cultivated/collected or available in the selected area.
3. **Shortlisting 4-5 major commodities for intervention** – The list of commodities may be narrowed down through FGDs with the community, study of the local markets and carrying out a SWOT analysis of the commodities. The SWOT analysis may have to be validated with another round of FGDs with the community and also to address any information gaps.
4. **Commodity profile (production to end market)** – The commodity profile would address the production system, seasonality, cyclical, stakeholder, market dynamics, price volatility and value addition opportunities for commodity. The commodity profile would also give an understanding of the value proposition to the producers' individually and collectively. A thorough value chain analysis would be critical tool in this activity. The value chain analysis must cover the production process to the end market with detailed information on value added and cost incurred at each stage. A clear understanding of the flow of the commodity from farm gate to various markets should

¹ Adopted from -Guideline for promotion of Producers' Enterprise under DAY-NRLM

emerge from the analysis. All the relevant transaction costs should be documented properly. The commodity profile would also provide an understanding of the gaps that can be addressed in the commodity value chains.

5. **Portfolio of commodities** – Ideally every PG should have a portfolio of commodities for ensuring year-round operation with the exception of Dairy which is a round the year activity. Each of the commodities in the commodity portfolio must be a profit center for the PG. The need for a portfolio of commodities is four-fold:
 - (a) **Optimization of overheads (economies of scale and scope)** – higher contribution and optimized utilization of capacity.
 - (b) **Optimization of working capital** – rotation of working capital would ensure that the working capital is not idle
 - (c) **Risk mitigation** – the risk is spread over a basket of commodities
 - (d) **Ensuring member loyalty and member centricity**- PG should endeavour to support its members in marketing different commodities produced by them if found economically viable.

After identification of area of interventions and finalization of the commodities following process need to ensure-

- ❖ Repeated discussions over the need of an primary producers' organization at the village level is very important, the promoter will be able to understand views of members through an interactive discussion on the need of producer group and what types of roles they expect a producer group to perform.
- ❖ After above processes, a formal meeting has to be organized with the VO to discuss possibility of Producer Group. Defining the need of producer group will be done through a participatory process. In the same meeting, VO executive body can finalize the membership, SHG members only should be given membership of PG. VO can pass a resolution on the same and ask self help groups to discuss in SHG meetings and come back with their resolution of participation in the producer group. **One membership form (Annexure-II)** will be shared to the SHG, where members have to fill the application for PG membership and submit the same within 15 days of time from the meeting.
- ❖ In the follow up meeting, VO will have list of members who are willing to be part of Producer group, now VO will organize first PG formation meeting with all the general body members.

The PG membership should not be less than 20 or not more than 100 for proper management and operations.

Formation Stage

1st PG formation Meeting:

The date, time and venue for the Producer Group meeting have to be decided in previous VO meeting and each member of the PG need to be informed about the 1st PG formation meeting. The selection of the venue is important. A closed, relatively secluded place is desirable to conduct the Producer Group meeting.

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The meeting can be initiated, as in the group meetings, with a song or a prayer as agreed by the members. Once the members are at ease and introduced to each other, the Producer Group meeting can be started with setting up the meeting agenda. Tentative meeting agenda would be-

- (a) Introduction of members with their major livelihood activities
- (b) Presentation of representative PG member from each SHG about the different issues that producers are encountering in their present livelihood activities.
- (c) After the presentation each SHG, group facilitator can summaries the major issues faced by the PG members and need of PG for addressing the issues
- (d) Selection of Executive committee members from each SHG (two member from each SHG)
- (e) Setting up Goal, objectives and activities of the PG
- (f) Name of the PG and setting up PG norms (Rule and Regulation) i.e. Meeting norms, meeting frequency, attendance norms, membership norms etc.
- (g) Selection of office bearers of the PG

One of the primary activities in the Producer Group is to understand different issues of the group members regarding production and marketing of their produces and accordingly provide support to its members. Therefore, it is important that each representative from SHG group makes a detailed and systematic presentation of the happenings in the group members on production and marketing of the produces and other related issues in the last one month. In the first meeting, though, the presentation may not be very systematic. It does not matter so much as in the initial stages, the process is more important than the content. Each group representative speaks on whatever they know about their issues and challenges they are facing in production (i.e. agriculture, horticulture, piggery etc.), in a structured manner. The presentation could be structured under the following headings-

General Details	This includes from the SHG group how many member engage with different farm or non-farm livelihood activities who are part of the producer group
Production related issues	This includes the different issues that producers are facing during the production of agriculture, horticulture or piggery or other activities that PG decided to work upon
Issues related to input materials	This includes different issues producers are facing regarding input materials of the livelihood activities
Issues related to output marketing	Sharing will be made on the different issues related to marketing of produces
Support needed	Assistance require for betterment of their present livelihood activities

After the presentation of representative of all the SHG groups, the facilitator can summaries all the presentations.

Then after, selection of the executive committee members will be done by SHG wise PG members sub-group discussion. After the sub-group discussion, each SHG will select two representatives for executive committee and form the executive committee of the PG.

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After the selection of the executive committee members, all executive committee members sit in a circle and other non EC member sit outside in a circle (like a fishbowl discussion²) and generate the discussion about the goal, objective and major activities of PGs and finalise the same. After that the group will also finalise the name of the Producer group and also select three office bearers for the Producer Group.

The first meeting minutes will be recorded in the General body meeting of the PG and all the members present in the meeting will sign in the same.

After the 1st Meeting GC meeting preferably be done once in every year after the PG audit, but in initial one year GC can meet once in six month to bring solidarity among the PG members.

1st Executive Committee Meeting:

The executive Committee meeting of the PG will be conducted in each month on a pre decided date and venue and all the executive committee members must attend in the meeting. In the 1st meeting, EC will set the group norms like – meeting presence, late fine, fine for absence etc. for the EC. And make annual action plan for the PG base on the input of the 1st GC meeting and also make a monthly plan for the coming month. EC will also form the required subcommittees to operationalise the activity at ground. The Service Providers also present their monthly plan in the EC meeting. The EC also take the proposal for opening of saving bank account of the Producer Group in Bank to make the financial transaction. The three office bearer will be the joint signatory of the saving bank account. EC member also take the responsibility to collect the registration fee and membership fee from the PG members from all the SHGs

2nd Executive Committee Meeting:

The main agenda of the second executive committee meeting will be to introduce all the books of records of the PG and initiate the process of activity for betterment of its members. Besides EC will collect and deposit the registration and membership fees from each PG members. Group will also review the progress of last month activity and also make action plan for next month. Similarly, group will review the progress of CRP works and make target and plan for the next month.

3rd Executive Committee Meeting:

The group will review the progress of last month as well as review the monthly progress of CRPs. The major focus of the 3rd EC meeting will be prepare an Annual activity plan with business projection for the PG. This plan includes the technical as well as market related activities of the PG to strengthen package of practices of farmers to increase the quality production and market support to relies better market price for their output. This plan needs to be submitted to MzSRLM so that MzSRLM can able to provide related support. Base on this annual activity plan

² **fishbowl** discussion is a form of dialog that can be used when discussing topics within large groups. Fishbowl conversations are sometimes also used in participatory events such as unconferences. The advantage of fishbowl is that it allows the entire group to participate in a conversation. Several people can join the discussion.

and grading sheet MzSRLM will decide to provide financial support to PG. Review of all CSP will be done in the meeting

Planning Phase (Initial six month)

- ❖ In first six months of PG formation, PG will focus on the existing activities of its members and also try to understand and solve issues in the current practices, it will give a fair understanding to the PG on the nature of issues PG is expected to deal in the long run, During first six months PG will also learn about different production practices through exposure and trainings. PG will also get engaged with markets through market exposures. Hence it is expected that after first 6 months of engagement in current activities, training and exposures on different aspects of production, exposure to markets, PG will be in a stage to develop annual action plan, it will be premature to do a planning exercise in the initiation of Producer group.
- ❖ Annual activity planning will be done taking into consideration of present production cycle, training on new activities, exposure, and marketing channel exploration. After training events for its members on different production systems, PG may feel the need of introducing new activities, so such activities can be taken up by members under the support of PG. After market exposures members may feel the need of developing alternate business channels (developing linkage with traders, inviting middle man for bulk purchase etc).
- ❖ Plan consolidation with respect to production related activities, market linkages will be done, activity planning for PG will also be done to support the member level activities
- ❖ Selection of service providers for supporting members in these activities will be done
- ❖ Grooming of CRPs will be supported by PG; PG will seek support from MzSRLM and also from various line departments for knowledge and skills of CRPs.
- ❖ Review and monitoring of CRPs and also certifying the work done by the CRPs for their payment from VO.

Execution stage (Six months to 1 years of PG)

- ❖ PG will regularly monitor the activity progress
- ❖ PG will provide support to members through CRPs
- ❖ PG will discuss the progress in the monthly meeting and organize field visits
- ❖ PG will conduct trainings on critical interventions of their promoted activities
- ❖ PG will ensure marketing plans are being followed up properly and some activities has started in marketing of the produces
- ❖ PG will guide the sub committees in taking up monthly action plan
- ❖ PG will properly maintain the all books of records.
- ❖ PG will do yearly audit of the group about the financial status and prepare audit report of the same
- ❖ PG will organize general body meeting at the end of the year where EC member will presented the annual progress of the PG along with audited report.
- ❖ PG will also conduct the annual performance review of the CSPs performance in last year and accordingly extend the agreement with the CSPs

- ❖ If PG will stand alone (or independent PG), then need to prepare detail business plan for the next five year base on the experience of last one year. On other case all other PG need to discuss the need of high level apex organization (producer organization) for better organization strength and better profitability.

Review and Monitoring

- ❖ Data tracking on the progress made in each activity will be done by CRPs, progress reports will be shared to the PG
- ❖ Output and outcome data will be measured
- ❖ Seasonal review meeting will be organized to understand results, effect and impact
- ❖ Documentation will be done on the best practices

Producer Group Meeting (Executive Committee Meeting) Procedure:

Producer group will meet once in a month, the date and time of the meeting will be decided during the first general meeting of its members, the monthly meeting minutes will be shared with the VO for updating the work done by producer group.

- Meeting of PG will start with a prayer
- Followed by setting up of agenda; agenda need to be in alignment with the activities planned by the PG for the financial year.
- After setting up of agenda, review of previous meeting decisions will be done
- Review of work of CRPs and planning for next month.
- Attendance will be taken after completion of discussions on the agenda

3.0 Record Keeping at Producer Group

At Producer group level following books of records will be maintained -

Particulars	Register	File
Non Financial	<ol style="list-style-type: none"> 1. Membership Register 2. Minutes Book- General Body 3. Minutes book- Executive Committee 4. Training Register 5. Visitors Register 	<ol style="list-style-type: none"> 1. Membership application and member profile file 2. Monthly progress report file 3. CRP- monthly progress report file 4. General file: letters and agreement
Financial	<ol style="list-style-type: none"> 1. Cash Book 2. Cheque book Register 3. General Ledger Book 4. Stock Register 5. Asset Register 6. Register for renting of machineries 7. Cheque book and bank passbook 	<ol style="list-style-type: none"> 1. Receipt and payment Voucher file 2. Audit report file 3. General finance file – quotation, budget and bank reconciliation

The maintaining of proper books of records is very important for producer group for recording the financial and non-financial transactions and helps in maintain transparency. MzSRLM will support PG to build capabilities to maintain the all books of records at PG level

4.0 Capacity Building Plan for producer Groups (PGs)

MzSRLM plan to give capacity building support to all Producers Groups so that they can function in effective manner. Following are the capacity building plan for Block Mission Management Unit (BMMU) -

Stages	Tasks	Duration	Responsibility
Pre Formation	Discussion with VO on need of a producer group	1 Day	BMMU
	Formal meeting with VO to discuss membership, sharing membership form, norms, membership fee for PG, executive body selection	1 Day	BMMU
Formation	Organizing first executive body training to discuss on vision, goal, activities, norms of membership, roles and responsibilities, selection of office bearers	3 Days	BMMU
	First General Meeting for all the PG members to finalize Vision, Goals and activities	1 Day	BMMU
	Support in maintaining books	Regular	BMMU
	Book keeping training	1 Day	BMMU
First six month	Facilitate Monthly meeting- Discussion on seasonal activities, challenges, marketing	Regular	BMMU
	Organize exposure- Market to understand present flow of products, identifying space of PG to engage in marketing, Scopes of alternate market channels	3-4 Days	SMMU
	Organize exposure- Best practice sites of relevant activities	1-2 days	SMMU
	Training on finalizing the activity plan- production related plan- Training, Demonstration etc. Marketing	2 Days	BMMU
	Support in finalizing activity plan		

5.0 Development of Annual Activity Plan or Business plan of Producer Group

After three months of experience, PG may be introduced with detailed Annual Activity Plan preparation for execution of its business. PG after three months will have experience on the production challenges, training needs of its farmers, and possibilities of interventions in market linkages. A guided process of business and activity planning can be helpful in shaping a prospective future of the producer groups. **The business plan developed by PG need to be facilitated by professionals with knowledge of business plan preparation**, the business plan should have following components-

1. Details of activity to be taken up by PG
2. Human resource details
3. Rationale and feasibility
4. Financial projection and financial analysis
5. Capital requirement
6. Technical support requirement
7. Risks
8. ROI at family level
9. ROI for PG

6.0 Future prospect of Producer Group

Producer groups in nearby villages can be organized into a higher order organization like Producer Company or co-operative. This producer company or co-operative will take care of large scale business rising out of the production surplus from its member PGs. Once PG starts function.

In the beginning, an in-depth study and scoping has to be done by MzSRLM to explore potential of grounding a fully fledged producer company to take care of farm business for its members.

Annexure-II

Membership Application Form and General Member Profile

To

The President

.....Producer Group,village

Sub: Application form for membership ofProducer Group

Dear Madam,

I am resident ofvillage and a member ofSelf Help group underVO. I am a producer ofand like to join as member of the producer group. I will obey all the rules and regulations of the Producer Group and actively provide all my support to achieve group aim and objectives. I will also deposit INR 50 as registration fee to the PG and ready to contribute INR 100 as monthly contribution to the PG. Details of my family is attached in the application form.

With regards,

(Signature of the member)

Name:

Name of SHG:

Name of VO:

Membership No:

General Profile of the Member

Name of member	:	Name of Husband/Father	:
Name of SHG	:	Name of Vo	:
Social Category	: GEN/ST/SC/OBC	Economic category	: APL/BPL/Antodaya
NREGA Job Card	: YES/NO	Bank Account	: YES/NO

HH person Details:

Sl. No.	Name of HH Member	Relationship	Sex (M/F)	Age	Marital Status	PWD (Y/N)	Education	Primary occupation

Resource Details:

Name of the Resource	Unit	Number of unit	Present use
Permanent Agriculture land	tin		
Jhum land			
Pig			
Cow			

Income Details:

Sr. No.	Source of Income	Total Annual Income (in INR)

Major issues and challenge is Production:

1.5 Selection and appointment office bearers

Sl. No.	Name	Designation
		President
		Secretary
		Treasurer

Article-2

Norms for membership:

- (a) Must be a SHG member, 18 years and above.
- (b) Should be primary producer (like, livestock rearer, agriculture farmer, horticulture farmer, fishery farmer, weavers & artisans, etc.)
- (c) Only single membership only female will be allowed per household.
- (d) A member shall belong to the same village or adjoining villages producing similar products.
- (e) A member shall be required to abide by the rules and regulations of the PG.
- (f) A member shall be ready to pay annual or regular contribution as per the group decision.
- (g) Should have participation from PoP section, if PIP has been done in the villages, then at least 25% of the PG members have to be from PoP category.

Exit norms of members

A member willing to withdraw from the producer group has to submit an application to the president of PG citing reasons, PG in its monthly meeting will decide on the withdrawal of membership, after discussion PG will come to a final decision, similarly for termination of membership due to absence from meeting, non adherence to group norms, not performing roles and responsibilities will also be discussed and decided in the group meeting.

Power and Function of office bearer:

(a) Role of President:

- ✚ To chair the meetings and facilitate discussions engaging all members
- ✚ To help the group arrive at decisions
- ✚ To oversee implementation of group decisions
- ✚ To represent the group in different forums and meetings/seminars
- ✚ To support conflict resolution efforts
- ✚ Facilitate linkage and key person in developing functional linkage with relevant stakeholders

(b) Role of Secretary:

- ✚ The secretary shall be in charge of all the correspondence and records of the producer group, keep the meeting minutes
- ✚ To convene meetings in consultation with President
- ✚ To set the agenda for the meetings
- ✚ To ensure attendance and participation of members
- ✚ To get the minutes of discussions recorded
- ✚ To execute the decisions of the Group
- ✚ To report the members on the progress of groups activity
- ✚ To coordinate and facilitate linkage with public and private agencies.
- ✚ Preparation of various reports, submission of monthly progress report to the VO

(c) Role of the Treasurer:

- ✚ To become custodian of cash and bank balance of the group
- ✚ To ensure safeguarding and accounting for all funds received by the group
- ✚ To issue receipts for the fund received
- ✚ To arrange up to date record keeping
- ✚ To present financial picture of the group from time to time
- ✚ To finalize accounts at the end of each fiscal year and facilitate timely audit
- ✚ Ensure audit by inviting BMKs of VO for the same
- ✚ At least 1 audits per year

General Body: The General Body will be the principal decision making body of the Producers' Group and will comprise of all the members of the group. The general body will meet at least once in three months with a quorum of two third of its members.

Functions of General Body:

1. Executive committee will develop business plan/ activity plan for the financial year, General body will approve the plan in annual general meeting
2. General body will verify and approve the financial statements
3. GB can call meeting in case of any urgent need felt by the members and has the power to dissolve the executive committee

Executive Body: Two representative producers from each SHGs of the village will form the Executive Committee of the Producer Group.

Functions of Executive committee-

1. Organize monthly meetings to review progress and make plan
2. Decision making body for regular activity/business transactions
3. Facilitate and review the functioning of sub committees and service providers
4. Preparing action plan and budgets
5. Liaison and leverage resources from different stakeholders
6. Organizing training events, inviting resource agencies/persons, organizing exposures

The Office Bearers (OB) will be accountable to the EC for their day to day activity. The EC shall meet at least once in a month with a quorum of two third of its members. 30% of the EC members shall change and be re-elected every year by the General Body. A member of the EC can serve not more than 3 years in the committee.

Article –III

1. **Registration Fee:**

Each member of the Producer Group need to deposit INR 50 (Rs. Fifty) as registration fee to the producer group

2. **Monthly contribution:**

Each member will contribute INR 100 (need to decide by the PG) as monthly deposit to the PG for building the group working capital. Once the member left from the PG then PG will return the same to the members after the annual audit of the group with addition of proportion of profit/loss PG had made in last financial year.

3. **Fine:**

If any member of the executive committee absent in the EC meeting without any prior information then PG will charge fine of INR 50 (need to decide by the group) from the respective EC member.

4. **Financial Management:**

To manage the fund of the PG in a transparent and effective way the PG will open a saving bank account of the PG at any Nationalize bank or Gramin bank. The three office bearer will be joint signatory of the saving bank account.

5. **Loan and renting of equipment:**

PG will not provide any loan support to its member. It will rent out necessary equipments or mercenaries with a decided rate (EC will fix the rate) to its member.

Article- IV

1. General Body Meeting Norms: GB meeting will held two time in a year (in 1st year) and 2nd year on ward once in a year.
2. Meeting Norms of Executive Committee : EC meeting will take place once in every month. The date and time of EC meeting isdate of every month onAM/PM atvenue.
3. Quorum: In general body meeting quorum is minimum presence of minimum 50% of GB members. In EC meeting quorum is minimum presence of 70% of its EC members.
4. Decision making process: Decision will be taken on the basis of consensus of all the PG members. If consensus cannot be build then the decision will taken by majority voting basis.

Article V

- The capital of Producer Group shall be monthly contribution paid by members, registration fee and rent received on leasing of implements.
- The liability of each member in case of liquidation is limited to the value of monthly contribution by members after adjustment made after the audit .

Article VI

Consent of 3/4th or 75% members is required for dissolution of Producer Group. With the consent of the all the member of PG, the cash shall be distributed among members in proportion to monthly contribution deposited. And assets, implements received from MzSRLM/ other Govt should be handed over to Village level Organisation of the village.

Adoption of Bye Laws by Federation:

We the recent undersigned members of Producer Group established onhave read, understood and accepted the rules and regulations of the Producer Group and we hereby attest the signatures to the rules and Regulations on thisday of the month in the year

Sl. No.	Name	Designation	Address	Signature
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Guideline for Promotion of Producer Groups (PGs) under MzSRLM

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Certified to be a true copy of the Rules and Regulations of the Producer Group

Date :

Seal of the Producer Group

Signature & Stamp of President & Secretaty