



Embracing Sustainability Empowering Farmers

Sustainability Report
2022 -23

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Embracing Sustainability. Empowering Farmers



In the heart of India's agricultural landscape, a transformation is taking root—one that seeks to redefine how we approach farming, sustainability, and the empowerment of farmers. At the forefront of this profound transformation, our company, Ploughman Agro Pvt. Ltd. (Ploughman Agro), has meticulously crafted a scalable model. It signifies the convergence of profit with purpose, marking a new era where businesses prioritise social impact alongside financial gains..

This **robust and reliable model** aims to empower farmers through strategic partnerships, secure premium prices, and embrace sustainability throughout the agricultural supply chain. Through our endeavours, we strive to cultivate a synergy that benefits all stakeholders.

Welcome to sustainable agriculture, where we cultivate prosperity for all through business with a social conscience.

A Year of Progress and Promise of Sustainable Transformation



Dear stakeholders,

I am extremely happy to write this letter, reflecting our remarkable sustainable journey throughout 2022-2023. This year has witnessed substantial growth, primarily attributed to strengthening Farmer Producer Organisations (FPOs) and our steadfast commitment to empowering farmers across diverse regions.

Our progress over the past year includes establishing partnerships with more FPOs and reinforcing the core of our mission: to support smallholder farmers and drive sustainable agricultural practices. Our initiatives have led to significant strides in bridging the gap between these farmers and the market, thereby improving their livelihoods.

Opportunities in fostering agriculture sustainability

The Indian agriculture sector, the primary livelihood source for approximately **55%** of the country's population, is at the heart of our initiatives. Our vision aligns with agriculture's vital role in the Indian economy, and we are committed to making a lasting impact by empowering smallholder farmers and fostering sustainable agricultural practices. We firmly believe that our journey is inextricably linked to the progress of the Indian agriculture sector, and our ongoing efforts are dedicated to achieving the shared goal of sustainable growth.

A promising sign for us is the increasing demand for organic products in the Indian market, projected to grow at a Compound Annual Growth Rate (CAGR) of **25.25%** between 2022 and 2027. In 2022-23, India achieved a record-breaking food grain production of **330.5 million metric tonnes**, solidifying our position as the world's second-largest producer of food grains, fruits, and vegetables. (Source: IBEF)

Moreover, smallholder farmers in India face various challenges, including limited access to sustainable agricultural practices, financial constraints, and vulnerability to climate change impacts. Despite being a significant part of the agricultural sector, they often need help with low yields, marketing, and inconsistent income, highlighting the need for sustainable solutions to enhance their incomes.

Sowing seeds of progress and prosperity

I'm excited about this flourishing agricultural sector's opportunities. Our mission has always been to uplift small farmers, promote sustainable farming practices, and ensure financial stability. We believe in the transformative power of agriculture and the significant role we can play in further elevating the lives of farmers and rural communities.

Ploughman Agro Private Limited (Ploughman Agro) has embraced a pivotal role in promoting sustainable agriculture and streamlining supply chains. As the bridge between FPOs and sustainability-driven corporates, we actively contribute to the Green Economy, prioritising the welfare of small-scale farmers.

Our comprehensive sustainability framework is dedicated to enhancing production processes and practices. Through this commitment, we aim to reduce resource consumption, minimise waste generation, and lower emissions, aligning with eco-friendly practices.

At Ploughman Agro, our services encompass various aspects critical to farmer empowerment. These include efficient market linkage activities for the FPOs providing them with technical and handholding support for aggregation, quality control, supply chain management, storage and processing facilities, and crucial credit linkages that place farmers at the forefront of our operations.



Together, towards a sustainable future

Our philosophy revolves around providing FPOs and farmers with adequate and seamless backward and forward linkages. By eliminating market intermediaries, we ensure that farmers receive maximum benefits, ultimately contributing to their prosperity and the sustainability of the agricultural sector.

In this journey, we have a strong background with the experienced supporting team from grassroots NGOs who have been tirelessly working to develop sustainable production systems, including building capacities of smallholder farmers.

Furthermore, our initiatives have linked approximately **35,000 farmers** directly to the organic commodity market and another **20,000 farmers** to conventional commodities, creating sustainable income opportunities and fostering the growth of sustainable farming.

Our commitment extends beyond individual farmers, reaching the land itself, with around **1,00,000 acres** positively impacted through soil quality improvement, which has brought significant environmental benefits. Additionally, we have supported over **100 Farmer Producer Organisations**, strengthening the community's farming capabilities.

Journey Ahead

As we move forward, our focus remains on extending our reach to even more FPOs and collaborating with additional farmers nationwide. As we look to the future, Ploughman remains dedicated to fostering a sustainable and inclusive agricultural landscape. By strengthening the connections between FPOs and corporations, we aim to strengthen the Green Economy further while prioritising the farming community's well-being. Our sustainable practices, resource-efficient approaches, and farmer-centric services continue to be the cornerstones of our mission as we chart our path forward.

Ploughman Agro is well-positioned to play a pivotal role in India's agricultural success story, serving as a shining example of sustainable and inclusive growth for the years ahead.

Ashis Mondal,
Managing Director
Ploughman Agro Private Limited

And let's not forget, our efforts have resulted in the procurement and processing of over **20,000 metric tonnes** of agricultural commodities grown using sustainable practices.

Together we have trained over **94,000 farmers**, providing them with the knowledge and skills to enhance their farming practices and livelihoods.



Sustaining Agriculture. Cultivating Prosperity

Ploughman Agro Private Limited (PAPL) is a private limited company established in 2020 with the pursuit of bringing prosperity to the communities involved in the agricultural supply chain. We strive to bridge the gap between smallholder farmers and the market by initiating farmer-centric plans and supporting Farmer Producer Organisations (FPOs).

At Ploughman Agro, we aspire to establish an agricultural system that guarantees the well-being of farmers, FPOs, soil health, food security, economic advancement, and resilience in the face of climate challenges. To accomplish this, the idea for Ploughman was conceptualised by Action for Social Advancement (ASA), a not-for-profit organisation that pioneered the concept of FPOs and initiated FPO development work in India in 2005. ASA continues to support us in our journey to become an organisation of excellence, dedicated to finding a niche for smallholders in agricultural value chains.



Our Vision

To become a leading sustainable agriculture commodity marketing company by fostering inclusive growth and prosperity through pro-environment, pro-farmer and pro-market interventions.



Mission

- To empower smallholder farmers by connecting them to markets, ensuring fair prices, and driving sustainable production and marketing.
- To lead the industry through widespread corporate partnerships, localised processing, and skill development for prosperity and agricultural impact.

Farmer-Centric Collaboration:

Ploughman Agro places paramount importance on nurturing collaborative partnerships with small farmers, emphasising mutual growth and prosperity.



Inclusive Integrity:

Ploughman Agro demonstrates a resolute commitment to inclusivity and transparency in all operations, prioritising fairness and honesty.



Environmental Stewardship:

Ploughman Agro exhibits resolute dedication to environmental sustainability, advocating for farmers' well-being, and supporting resilient agricultural markets.

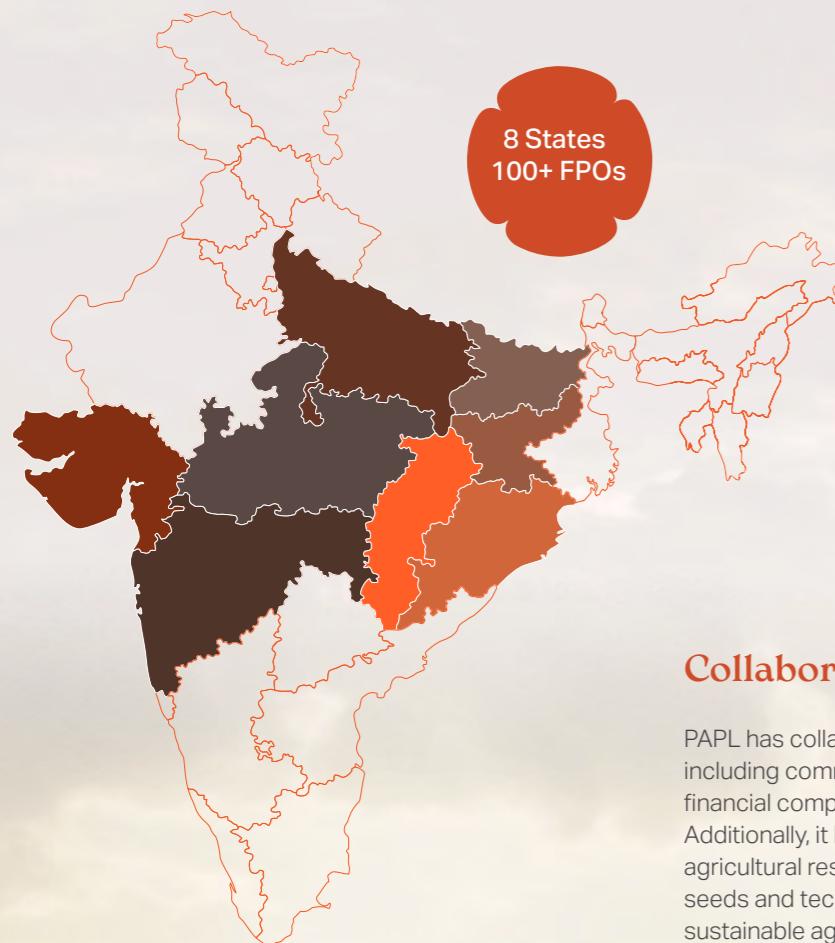


Livelihood Enhancement:

Ploughman Agro is steadfast in its mission to improve the quality of life for farmers and strengthen the institutions that empower them, driven by the goal of making a positive and lasting impact.



Presence



Collaborations and Partnerships

PAPL has collaborated with four financial institutions, including commercial banks and non-banking financial companies, for working capital linkage. Additionally, it has developed partnerships with four agricultural research institutions to source non-GMO seeds and technologies necessary for promoting sustainable agriculture.

Recognitions

We have secured certifications across environmental, social, and agricultural standards, with our affiliation to the Internal Control Systems (ICS).

Impact on SDGs

All our business operations at PAPL are interlinked to generate productivity, profitability, resilience, land and water resource development, enhanced income, and lifestyles to facilitate the multidimensional nature of sustainability in agriculture. Through them, we aim to improve economic, social and environmental status of farmers, the country and the world, thereby, contributing to the below-mentioned vital Sustainable Development Goals (SDGs).

PAPL is dedicated to transparency and accountability in its mission to advance the Sustainable Development Goals (SDGs). To ensure meaningful progress, we employ rigorous measurement and tracking mechanisms, allowing us to assess the impact of our activities and continuously drive positive change. We are compliant with many quality standards such as NPOP, NOP (organic standards), ROC (Regenerative Organic Certified), GOTS (Global Organic Textile Standards), OCS (Organic Content Standards), to confirm adherence to the SDG and ESG parameters. We also have a globally accepted methodology for impact measuring and reporting mechanism in place for SDGs, ESGs, etc.

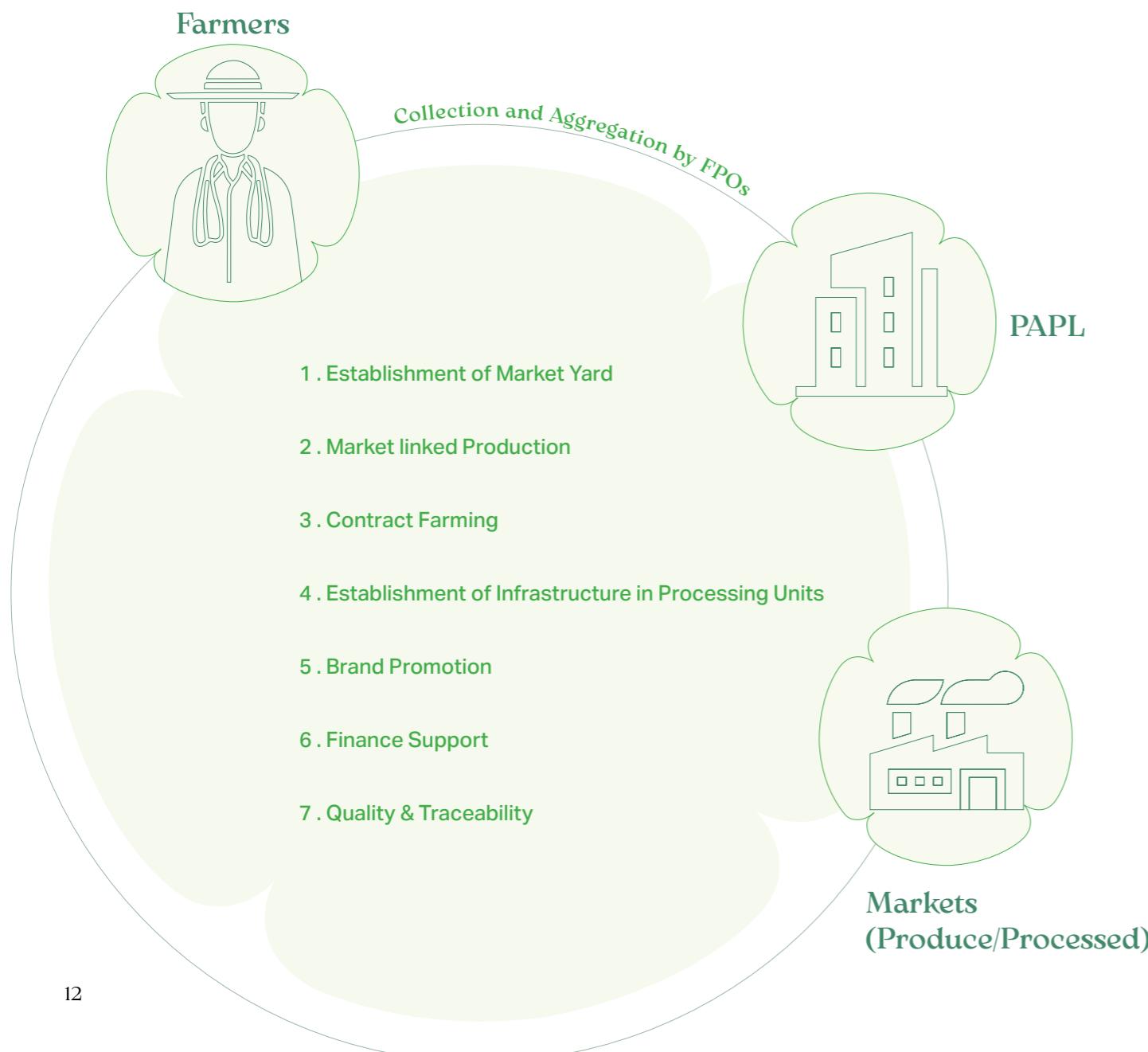
PAPL, by its works of value chains development of sustainably grown agriculture commodities by small holders and their majorly women-led organisations, addresses many UN Sustainable Development Goals directly and indirectly, particularly those related to positive climate action.

UNSDGs



Our Unique Direct-to-Growers Approach

As a for-profit social enterprise, we support farmers in marketing, processing, brand-building, and credit linkage, empowering growers through a proactive, direct-to-growers approach. Our collaboration with Civil Society Organisations for production systems development and farmers connect, and corporates for sourcing sustainable commodities, enables growers to command premium prices for their produce, ensuring quality, and strengthening their bargaining power with support from the FPOs.



Our Strategy



Organic and Traditional Cultivation

methods are aligned with regenerative agriculture practices and market demand for commodities grown following sustainable practices, which are traceable .



Comprehensive Support

In marketing, processing, credit linkage, input management and infrastructure development.



Contract Farming Advocacy

to help farmers secure markets at the end of the harvest .



IT Platform

cloud-based software tool designed to streamline the procurement process and enable real-time data accessibility across levels, from Internal Control Systems (ICS) to Aggregation Centres, FPOs, and Ploughman Agro, the entire traceability extends up to the buyer for direct interaction with the grower.



Fostering Product Sustainability

Our commitment to sustainability extends across the entire supply chain of our diverse range of products at Dharti Naturals, a trademark of Ploughman Agro. Dharti Naturals specialises in many sustainable commodities, including biopesticides, fertilisers, wheat, and basmati rice.



The Ploughman Paradigm: Sustainability Redefined

In a world seeking sustainable solutions to agricultural challenges, our Ploughman Paradigm provides a pathway to empower grassroot communities, ensuring that farmers who feed the nation are nurtured and strengthened. To accomplish this, we offer a scalable and replicable model adaptable to various regions and contexts within India and globally.

Our Approach

We adopt a business strategy that seamlessly integrates technology and community-driven efforts. The core concept involves using technology to unite the efforts of smallholder farmers, forming a collective force capable of overcoming economies of scale.

Our core activities

Aggregation through 130+ Centres

We established aggregation centres operated by FPOs in remote regions to enable farmers to pool resources, share knowledge, and access larger markets. We are cutting out intermediaries through a digital platform that connects farmers directly with buyers. This direct linkage ensures optimal prices for farmers with success.

Timely payments

The initiative's digital backbone addresses a critical issue for farmers facing delayed payments in traditional systems. Our system digitally transfers payments to farmers accounts within 2–3 days of the trade.

Efficient and sustainable resource utilisation

We actively promote sustainable agricultural practices, encouraging organic and no-chemical pesticide farming. Beyond fetching premium prices, these practices ensure long-term soil health and environmental sustainability.

Supporting FPOs for business operation and governance

Ploughman Agro is committed to working and growing jointly with the FPOs and their shareholders, who are primarily small and marginal farmers. Ploughman Agro therefore undertakes extensive measures to handhold FPOs, from production-related functions to aggregation, supply chain management, accounting, IT support, and general governance. So, the institutional backbone of the smallholders gets strengthened with every transaction they do with Ploughman.



Pioneering Regenerative Agricultural Practices

We actively contribute to global efforts to reduce carbon emissions by promoting Regenerative Agriculture Practices through a landscape approach. This agricultural ecosystem is designed to empower communities in natural resource development, enhance community capacity, establish robust institutions, and foster engagement with stakeholders, especially businesses committed to sustainable sourcing.

Key Objectives



Business operations of Ploughman in 2022-23

Organic/Natural/Regenerative produce marketing

Under this, Ploughman Agro worked with **94,000 smallholder farmers** and **27 FPOs** specialising in producing organic cotton and other crops, including wheat, rice, pulses, minor millets, and soybeans. Ploughman Agro secures premium prices for organic produce, with a significant portion of the premium shared directly with the farmers and FPOs. Ploughman Agro has earned a strong reputation for its direct-to-growers approach and has implemented a **robust traceability system**, ensuring transparency and reliability in the supply chain.

Customer Base

As a result of its credibility and quality assurance, Ploughman Agro has attracted leading brands in the apparel sector, such as Inditex, H&M, Best Seller, Superdry, Carrefour, C&A, Kering, Nuziveedu, and several spinning mills, including Vardhaman, Arvind Mills, Pratibha Syntex, and Wellspun. Several spinning mills in Bangladesh, including BEXIMCO, Square Group, Mondol Group, Group Reedisha, are also regular customers. Ploughman Agro's success extends beyond the apparel industry, with ITC Limited and numerous national food and beverage brands regularly procuring wheat, rice, minor millets, and pulses from us.

Sowing Growth: Giving Back to Organic Farmers through Premium Rewards

A premium is the additional amount organic farmers receive for their produce, surpassing the prevailing market rates. In our commitment to organic farming, we provide farmers with a premium. In 2023, farmers received a total premium of approximately **₹ 4.5 Crores** for their agricultural produce, incentivising higher-quality yields and contributing to their overall income.

Benefits

Farmers participating in this model, experience a significant boost in their income, with price premiums ranging from **12% to 22%** above the market rate of conventional commodities for their raw produce. This increase in revenue provides farmers with improved financial stability and opportunities for investment in their agricultural practices and livelihoods.

Similarly, Farmer Producer Organisations (FPOs) also reap rewards from collaborating with Ploughman Agro. FPOs receive commissions equivalent to **5% to 7%** of the value of the commodities they supply.



Sourcing and marketing of conventional agricultural commodities

Under this initiative, Ploughman Agro procures conventional commodities such as maize, soybean, wheat, pulses, millets and vegetables from the farmers through the FPOs and directly sells them to the processors. Farmers experience a significant price increase in this model compared to the open market, facilitated by doorstep procurement, fair dealing, and improved price offerings. At the same time, FPOs earn a modest commission on the value.

Customer Base

Ploughman's commitment to quality and sustainability, which is reflected in its products and services, attracted prominent companies in this sector, such as Godrej Agrovet, Avis, Ruchi Soya, ITC, Dhanuka, Britannia, Adani Agro, and Reliance. Additionally, numerous small and medium processors nationwide regularly procure from Ploughman Agro.

Benefits

Fair dealing practices have led to a **7% -10%** price surge for farmers and improved earnings in the open market. This is a significant development for smallholder farmers, who often face financial constraints and inconsistent income. The FPOs also gained a **1% -2%** commission on the value.

Seed production and marketing

Under this segment, Ploughman Agro, under contract farming, produces seeds for field crops with the farmers of the FPOs. The raw seeds are procured through FPOs and processed in custom-hired processing units. Ploughman Agro does the marketing through the network of FPOs and the dealer's network across the region.

Benefits

In seed production and marketing, Ploughman Agro ensures that seed-producing farmers receive a premium price of about 10% above the market rate of conventional commodities. At the same time, FPOs gain a part of the profit margin for their services as retailers and seed organisers.

Bulk supply of agricultural inputs

Ploughman Agro integrates the backend supply chain of agricultural input suppliers, linking them directly to Farmer Producer Organisations (FPOs), who subsequently connect with farmers.

Benefits

In certain instances, FPOs generate profits as suppliers of inputs (such as raw or processed seeds, bio-fertilisers, and pesticides) and as retailers or dealers of agricultural inputs. On the other hand, the farmers benefit from a steady supply of quality inputs at a reasonable price.

Ploughman Sustainable Interventions

Ploughman Agro is actively involved in implementing projects to advance sustainable agriculture in the predominantly tribal regions of Madhya Pradesh and Odisha. These projects focus on integrating producers into the value chain through producers collectives, with particular attention to women farmers. The primary goal is to enhance stability in production systems in tribal areas through interventions in natural resource development, sustainable agriculture practices, community institution building, and market linkages, thereby fostering regenerative agricultural landscapes.

Economic Analysis: Intervention vs. Non-Intervention Farmers

	Non-Intervention Farmers		Intervention Farmers	
	Kharif	Rabi	Kharif	Rabi
Land use	1 Hectare	0.2 Hectare	1 Hectare	0.7 Hectare
Crops	Cotton	Gram	Cotton	Cotton, Gram, Vegetables
Cost of Cultivation	₹ 32,500	₹ 4,950	₹ 20,550	₹ 28,650
Income	₹ 82,250	₹ 5,400	₹ 90,000	₹ 1,44,850

Currently, these initiatives impact the lives of approximately **12,000 farmers** across Madhya Pradesh and Odisha.

Improving the capabilities of smallholders in producing high-quality organic cotton sustainably.

1

Increasing income for member farmers by enhancing input, financial, and market linkages.

2

Establishing community-owned and managed enterprises to promote organic cotton production and add value.

3

Solutions Designed

4

Expected Outcome

Achieving stabilised organic cotton and other farm production, leading to a significant increase in farmer income.

Establishing stable value chain linkages for organic cotton based on ethical practices creates a compelling business case for farmers in the industry.

1

The project area predominantly comprises resource-poor small and marginal landholders who encounter low productivity and marginal profitability issues.

2

Lack of access to non-GMO seeds and dependence on open market buying.

3

Inadequate crop and land management practices.

4

Promoting and providing financial support to Farmers' Producer Organisations (FPOs) is necessary.

Challenges

Empowering Women in Agriculture: Our Gender-Inclusive Farming Initiatives.

In seed production and marketing, Ploughman Agro ensures that seed-producing farmers receive a premium price of about **10%** above the market rate of conventional commodities. At the same time, FPOs gain a part of the profit margin for their services as retailers and seed organisers.

Notes



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