

S.15 Women Farmer Led Agri-Business Enterprise

1. What, in brief, is the solution?

A Rural Distribution Network (RUDI), designed as an integrated food value chain, and fully owned and operated by over 250,000 small and marginal women farmers - The for-profit agri-business enterprise directly connects farmers to the end-users, using its own procurement channels, processing centers, packaging units and a distribution network. Smallholder farmers sell their produce to RUDI, which is then graded, processed and packaged into affordable small packages and then redistributed into the villages by SEWA's sales-force - called Rudi-bens' or Rudi Sisters. Farmers get fair returns, landless laborers get employment, and a million households have access to food and nutrition security.

2. What was/were the source(s) from which this solution emerged?

Rural women from the informal economy constitute 2/3rd of the member base of the Self Employed Women's Association (SEWA). With agriculture as one of their main occupation, SEWA was confronted with the burning question of "*Why does the Farmer remain hungry?*" A deeper analysis of the issue showed that some of the most common challenges faced by these rural workers could be attributed to the lack of direct market linkages. In response, SEWA organized over 250,000 smallholder women farmers and established a Rural Distribution network or RUDI. RUDI has been conceptualized, designed, and implemented by over 250,000 poor small and marginal women farmers and landless agricultural labourers in Gujarat, India.

3. What problem is it trying to address within food systems?

Historically, despite taking care of major field activities, women have struggled to find a voice, recognition of contribution or identity as a farmer in mainstream agricultural practices. The lack of visibility has resulted in disentanglement to benefits as well as lack of access to agricultural extension services; thereby reducing their overall income from agriculture. Small and marginal farmers, having a very small marketable surplus, are forced to sell through "Distress Sell" at the time of harvesting due to lack of access to markets and proper storage facilities. They are also subjected to exploitation by a chain of middlemen or intermediaries between the producers and the market – from improper weighing to being offered low prices and delay in payments. All of this is augmented by the increasingly frequent climate and market shocks that has made agriculture unprofitable, unsustainable, and unviable.

4. Why is addressing that problem important for achieving the goal of your working group?

The underlying premise of RUDI as a solution model fits squarely within the contours of the goal of the working group: the integration of gender transformation approaches across the production-consumption continuum for equity and justice in food systems. Addressing the problem by setting up an innovative women led Rural Distribution Network will ensure:

- Normalization of women's leadership and participation in decision-making in food and agricultural systems
- Generation of multiple livelihood opportunities for landless women laborers and youth across the supply chain of agro-commodities
- Fair returns and direct market linkages to the marginal farmers

- Internal rotation of scarce funds of the rural producers for sustained long-term benefits, and strengthening of the rural economy
- Generation of multiple livelihood opportunities for landless women laborers and youth across the supply chain of agro-commodities
- Livelihood Security through continuous and timely procurement
- Creation of an integrated value chain to enhance the efficiency of agricultural activities
- Elimination of exploitative middlemen, and other institutional barriers
- Efficiency in supply of wholesome nutritious food security kits to rural households
- Integration of technology for seamless conduct of operations
- Training and capacity building of on incorporation of improved practices in agriculture and animal husbandry to increase production and mitigate climate and market shocks.
- Long-standing partnerships with skill and knowledge providers (e.g. State Agriculture Universities) for upgrading skills on need-basis

RUDI as model is driven by sustainability as a core value, and aims to build long term structures and local capacities of the workers in line with SEWA's goals of full employment and self-reliance, and the working group's intention to shift the focus to the contribution of equitable food and agricultural systems to the process of women empowerment.

5. How can this solution address that problem (theory of change)?

To enable real progress for women farmers there is a need for a comprehensive and inclusive approach to economic growth that organizes women producers, provides long-term sustainable support, and creates better access to financial services and markets.

RUDI is a game changing solution in its attempt to build an integrated sustainable food value chain to address the needs of a diverse set of stakeholders within the food system. It ensures gender inclusion through a woman owned and managed supply chain, economic empowerment through fair returns to farmers, livelihood security through equitable employment opportunities for landless laborers & youth, and an overall strengthening of the local food distribution system. Through RUDI, SEWA is empowering women farmers as change agents and critical market actors, demonstrating that by enabling direct market linkages to guarantee better price, creating farmers owned supply chains, members owned cooperative and through value added activities such as setting up processing centres managed by rural women, farmers can enhance their income generating potential.

6. Why does this solution align to the definition and criteria for a 'game changing solution' developed by the Summit?

RUDI is targeting a systemic transformation in the agricultural processes while catering to nine out of the seventeen UN Sustainable Development Goals (1,2,3,4,5,8,10,12,17). The model allows women farmers to acquire new skills and technology, and market collectively to enable them to replace the chain of middlemen between the producer and market and increase their earnings. It is an end-to-end agri solution to ensure food security for all while providing livelihoods and encouraging quality consumption. A distinctive feature of the model is the seamless integration of digital **technology** to create an efficient value chain through a customized mobile application - RUDI RSV. The app helps to keep a track of stocks, generate sales receipts, and updates the RUDIbens on the launch of new products. In partnership with Universities and other skill providers, constant support is ensured for small farmers and agro-processors, with a focus their integration in the mainstream.

The guiding principle of this RUDI's business model is the four bottom lines - Livelihood, Sustainability, Empowerment and Environment. Therefore, it aligns to the criteria of a "Game-Changing Solution".

7. Existing evidence supporting the argument that this solution will work, or at least achieve the initial outcomes

RUDI as a solution was conceptualized in 2009 and has since then had a significant positive impact on the women and their communities. Among the changes experienced by women, the most remarkable have been an increase in their confidence and self-worth, and the conviction in their ability to earn their own livelihoods.

Through RUDI, SEWA is procuring agri-produce from around 10,000 small and marginal farmers across 3000 villages covering the states of Gujarat and Rajasthan. It has already created employment opportunities for over 4500 RUDIbens', who earn an average monthly income of INR 8000 – 10000 using smart-phone based RSV app for sales and marketing. The annual turnover of the enterprise is over INR 10 crores.

During the Covid-19 crisis, the women of RUDI demonstrated their ability & agility to innovate and adapt as a response to shocks. When all supply chains were interrupted, it was the local decentralized supply chain of RUDI that helped its small holder farmer members, RUDIbens' as well as the processing center operators sustain themselves and their families while serving the community. Faced with the constraints of the lockdown, RUDI repurposed its supply chain with immediate effect and started procuring the produce of its small farmers across the state – thereby linking the small farmers directly to market and solving their cash-flow issue. Similarly, RUDI started preparing grocery-kits of essential spices / oil / tea / cereals and pulses which were delivered to the members' homes.

To meet working capital needs to facilitate procurement of produce from as many farmers as possible, and deliver free grocery kits to members, RUDI started tapping into the urban market by promoting door-step delivery of RUDI grocery items. E-enterprises were set up and social media tools were taken recourse to, to reach a whole new customer segment. This not only helped in promoting the RUDI brand in the niche urban market, but also generated a higher volume of orders– thereby allowing it to procure from more small and marginal farmers.

During the 74 days lock-down in 2020, RUDI had a monthly turnover of over INR 1,00,00,000. The enterprise was able to procure over 3000 tons of farm produce from small farmers – thereby ensuring income security to around 75 - 80 small farmer households. It also distributed around 5000 grocery kits to poor women worker's households – thereby ensuring food and nutrition security to rural households during the pandemic crisis.

8. What is the current and/or likely political support for this idea?

The Government of India is committed to the empowerment of rural women through its various schemes and policies focused on skill development (Mahila Shakti Kendra) and trainings related to employability and entrepreneurship in agriculture and food processing sector (STEP – Support to Training and Employment Programme for Women). Mahila Kisan Sashaktikaran Pariyojana (MKSP) is a flagship scheme by the Rural Development Ministry, as a part of the National Rural Livelihood Mission, to empower women engaged in agricultural activities by making systematic investments to enhance women's participation and productivity. The scheme has benefitted over 36 lakh women farmers. Measures are

being undertaken to bring women into mainstream agriculture and recognize their contribution to farm productivity and production.

To further catalyze market expansion, in future there is a need to explore the possibility of launching local and regional buyer platforms to increase market access and transparency. This will require advocacy for recognition of agriculture on par with industries and treatment of farm as an enterprise. Moreover, there is a need for enabling policies to promote formation and then scaling of rural workers owned agribusiness / microenterprises. Additionally, to safeguard the farmers against climate shocks and market shocks, there is need for an integrated farm planning and management packages.

9. Are there certain contexts for which this solution is particularly well suited, or, not well-suited.

Success of RUDI has shown that organizing women producers together into collectives/micro-enterprises and building on their technical and soft skills, empowers women farmers to capture greater ownership of the value chain and market for their products, while ensuring food and nutrition security to the poor producers and their families as well as the rural households.

The current RUDI model is established and operational in Gujarat and Rajasthan states of India. Scaling of a micro-enterprise model like RUDI to other parts of the country would ensure direct market access for more women producers while helping them gain more leverage and bargaining power in the market. A decrease in dependency on a chain of middlemen will enhance their livelihood potential, while enabling them to become critical market actors, strengthening both the efficacy and sustainability of the enterprise model. Based on the experience during the COVID crisis, there is now a proof of concept for upscaling of the value chain to urban markets

The model has a huge potential for transforming the grave agriculture situation of smallholder farmers into favorable and sustainable agriculture, providing sustainable food and nutrition security to the rural and urban households alike.