THE CHETNA STORY:
THE POSITIVE POWER OF COLLECTIVE ACTION

Chetna Organic aims to improve the livelihood options of small farming households in rainfed regions of India by making their farming systems more sustainable and more profitable. Chetna has developed an innovative strategy combining the strengths of collective action and creating a supply chain owned by the farmer. Chetna has grown from reaching 234 farmers in 2004 to a membership base of 8,138 farmers in 2010.

Introduction

Chetna Organic aims to improve the livelihood options of small scale farming households in the rainfed regions of India by making their farming systems more sustainable and more profitable. Chetna Organic started in 2004 as an Organic & Fairtrade Cotton Supply Chain Intervention Project in rainfed regions of Andhra Pradesh & Maharashtra in India and working with 234 farmers organized into 19 groups.

The Chetna Organic Farmers Association (COFA) was registered in 2007 as a not for profit organisation focusing on sustainable agriculture & livelihoods for the benefit of Chetna farmers and the rural communities in general. These are achieved through engaging in various forms of: extension services, capacity building and socio-technical interventions, establishing & strengthening the internal control systems, field research & studies, enterprise development for income enhancement, education, food security & family nutrition, policy advocacy and campaigning.

“We take pride in establishing COFA with the assistance of our staff and support agencies. COFA as a platform not only helps us to voice concerns, share space in the textile supply chain and understand its complexities, but also helps us to have better negotiation position” says Kusum Rao, the President of the COFA Board and who is also an adivasi/ tribal organic farmer from Choupenguda, Adilabad district of Andhra Pradesh.
Fact File:

- Started in 2004 as a pilot in 6 rainfed districts of Andhra Pradesh and Maharashtra.
- Pilot was facilitated by Solidaridad and ICCO as an ‘Organic & Fairtrade Cotton Supply Chain Intervention Project’
- In 2007 operations were expanded to Kalahandi and Bolangir districts of South Western Odisha.
- There is 35,000 acres of land under organic farming as part of Chetna; 17,000 – 20,000 of this is under cotton.

Key stakeholders: Smallholder farmer & farm worker families, 9 local Coops, ten local NGO/CBO, Govt. Agencies, NABARD, Solidaridad, Inter Church Organization for Development Cooperation (ICCO), Ford Foundation India, Rabobank Foundation, G-Star Raw Denium (GSRD) Foundation, Jackpot Foundation, Rudolf Steiner Foundation, JICA, Forum for Integrated Development (Hyderabad), Network Initiatives such as NPMI, Shop-4-Change, Buyers, certification bodies, etc.

Success Factors:

The OneWorld Foundation India team has undertaken a review of the Chetna programme focusing on activities in Odisha. The review identified the following as important lessons from Chetna’s experience which can aid in replication of the programme.

- Building trust through visible results - For the start of the project, Chetna’s staff worked with a limited number of farmers, once the quantity of organic production was at a similar level to conventional (chemical dependent production), farmers were able to see the long term benefits and participation figures increased.

- Systemising the supply chain - By eliminating middlemen in marketing and lobbying for a separate marketplace and by establishing a producer company that allows farms to establish direct relationships with brands, distributors and retailers, Chetna has managed to simplify and make the supply chain more effective and beneficial to farmers.

- Developing a competitive advantage - Chetna’s business model is based on transparency, traceability of the product and long term relationships with brands and retailers. All of this alongside organic farming techniques and fair trade practices contributes to give cotton grown by Chetna farmers a competitive advantage over conventionally grown cotton.

- Long term relationship with buyers - By working directly with buyers, Chetna aims to guarantee markets for the producers. Chetna also offers the option for the buyer to trace the product giving precise details about the variety of cotton and place of production. To date, some of the retailers and brands that COAPCL has developed relationships with include: Jackpot (Denmark), Felissimo (Japan), Marks & Spencer, bioRe (Switzerland), Fair & Co, Imps & Elves (both Netherlands). COAPCL has ventured into the domestic market segment for organic and Fairtrade cotton by collaborating with top Indian fashion designer Anita Dongre and Indian Fair Trade label – Shop for Change.

For more information on the OneWorld Foundation Best Practice Study visit www.oneworld.net

In addition to promoting organic farming, Chetna has developed a complete farmer owned supply chain. In this respect, Chetna Organic Agriculture Producer Company Ltd (COAPCL) was incorporated in 2009 as a 100% farmer owned trading company which works towards bringing ethical and more remunerative market opportunities for its member farmers through a combination of collective procurement and sales as well as moving up the value chain to engage in activities beyond sale of raw produce. Towards this goal, COAPCL is also involved in helping co-operatives establish local level processing units and manage them at market level efficiency. COAPCL works towards collective marketing of cotton and rotational crops such as lentils, rice, wheat, soya bean in addition to Non timber Forest Produce such as Wild Forest Honey, Turmeric etc that are produced by its member farmers. The company also facilitates all necessary certifications such as organic, fair trade, shop for change fair trade and Non-Pesticide Management Initiative (NPMI).

Both COFA & COAPCL work are under the umbrella of Chetna Organic performing different functions for the benefit of small holder farmers. Under these two national level organisations are 571 farmer Self Help Groups federated into 9 Farmer Co-operatives from 290 villages in 3 states. The total number of member farmers associated with Chetna is now 8,138.
Farmer benefits...

The monitoring and learning tools put in place by Chetna over the years to measure both qualitative and quantitative changes show that the farmers have benefited from involvement with Chetna Organic. The cooperatives have worked to empower the farmer SHGs (self-help groups) and who in turn empower individual farmers by disseminating information on technical know-how, availability of institutional credit, access to various government schemes and markets. It has assisted in:

- Procuring quality non-GMO seeds at a reasonable price because of economies of scale
- Improving quality of land by adopting organic techniques
- Developing niche markets for cotton and better markets for non-cotton food crops
- Assuring premium price for the specialized cotton production; On an average, Chetna prices for cotton have been 10-15% above the market price and other savings for farmer include: reduction in health outlays, certification & transportation costs, aggregation, de-centralized and transparent weighing procedures, etc.

- The Fair Trade premium has been used by farmer groups for a multitude of community benefit projects ranging from market focussed such as establishing community owned warehouses, processing units (rice mills, lentils processing units etc) to social projects like starting a pre-primary school for the benefit of children of farm labours, investments in improving local sanitation facilities and in productivity improvement efforts like purchase of cattle, setting up eco centres and connected bio gas units etc.

Chetna realizes the business of organic cotton needs to be part of a larger agenda of agroecology, food security and livelihoods. Chetna believes there is some way to go before real impacts on member farmers can be measured. Chetna is committed to making investments in the farms and enabling policy changes in favor of smallholder agriculture.

Products

**Cotton:** Chetna has an annual production capacity of 1500 tons of organic Extra Long Staple Cotton 31-33mm, Long Staple Cotton 29-30mm and Medium Staple 27-28mm.

**Non-Cotton:** Currently Chetna has an annual production capacity of 2500 MT of organic Soya Bean as well as pulses/ lentils, cereals, millets and non timber forest produce and is planning on expanding its offering of non cotton crops.
A Unique Focus on the Entire Value Chain - Improving the Lives of Over One Million People

Through the work of Textile Exchange, and funding from our key partner ICCO, we now positively affect the lives of over 275,000 organic cotton farmers worldwide. Conservative estimates show that each farmer in the Global South has responsibility for a household of five people. This means that TE programs have directly and positively impacted the lives of over 1.4 million people in developing countries.

TE’s methodology is unique and innovative in many respects, including:

- Textile Exchange takes a global approach to developing markets. This is particularly effective given the global nature of cotton production and consumption.

- We build demand and supply simultaneously. Engaging with farmers through to brand and retailers to help increase responsible fiber production and enable suppliers to create short- and long-term production schedules. Our efforts culminate in consumer education, highlighting farmers and farming innovations, beautiful yarns and fabrics, and highly desirable products.

- Textile Exchange is unique in that we focus on the entire value chain, from seed procurement through to retail. We provide models and tools for collaborative planning, problem solving, product development, and point of purchase materials.