

ZAMEEN STORY:

EMPOWERMENT THROUGH PROFIT SHARING

Zameen Organic is a farmer owned and controlled cotton enterprise specialising in organic and fair trade products. Zameen adds value to farmers produce through processing and marketing and profit flows back to the farmers and their communities. In addition to empowering farmers, Zameen also works as a supply chain management company to raise environmental and social standards along the supply chain as well as ensuring that profits are distributed more evenly along the value chain ensuring that farmers get a fairer share.

Zameen Organic is a pioneering farmer owned enterprise where ethical brands can source organic, fair trade cotton directly from the farmers. The company was launched in 2006 and works with poor farming communities in rural India. In addition to the financial and health benefits of organic cotton production you would expect to see such as, increased salaries from increased efficiencies

and reduced agricultural input costs and reduced exposure to dangerous pesticides, Zameen also places a strong focus on empowerment of farmers. Farmers are shareholders of the company and therefore have the opportunity to not only shape policies but also benefit from share holder dividends.



Fact File:

- Zameen Organic is a farmer owned agribusiness organisation established to provide a sustainable way to improve livelihoods of farming communities in India.
- The name Zameen comes from the Hindi word for Soil.
- Zameen works with 5,000 cotton farmers in two South Indian states; Maharashtra & Andhra Pradesh.
- 51% ownership is reserved for small and marginal farmers.
- Zameen farmers are now cultivating their own seeds.
- Within Andhra Pradesh, Zameen works with farmers in the Adilabad region in the Wankidi district and Kagaznagar. These are part of the Adivasi tribal areas. Farmers here have been isolated from mainstream development and communication and have poor access to education. The farm land here is drier but farmers are enthusiastic for organic farming and better prices.
- No children are allowed to work in any part of Zameen's cotton process. The farmers themselves do not employ children and the partnership with ALOK Industries (textile manufacturing company) ensures that child labour is banned throughout the supply chain.
- Zameen are proud to say they can trace their cotton right down to the individual farmer.

Success Factors:

Shop for Change - engages brands and retailers about the fair trade concept and provides supply chain services, linking up businesses to the suppliers they need. Shop for Change standards also ensure consistent supply of market quality products for buyers. Shopping with a conscience is taking off in India and, thanks to a fast-emerging class of knowledgeable and discerning consumers, the growth potential is enormous.

Zameen work closely with Shop for Change; it enables them to reach their markets faster, particularly in terms of the domestic market. Traditionally the 'fair trade' market has been international, but now Indian customers are warming up to the concept of fair trade and Zameen will be there with 'Shop for Change' as that happens.

A MasterCard survey conducted in 2009 found that 76% of Indian respondents would go 'out of their way' to purchase products based on ethical principles.

Farmer benefits

Trade, not aid

Zameen believes in the 'trade, not aid' approach to rural development. Financial investors support this approach by investing capital in Zameen. For every ton of raw cotton bought from farmers, an organisational development expense of 1,100 rupees (approximately £15) is set aside for reinvestment in Zameen and community growth.

Fair trading conditions and self determination prevents suicides

Within Maharashtra, Zameen works with farmers in the Amravati district of the Vidarbha region. Despite the tropical climate making the area renowned for its farming, reportedly 5,000 farmers commit suicide every year. By working with Zameen, marginalised farmers have been able to escape spiralling debt and binding contracts to money lenders. Since 2006 when Zameen was set up, there have been no suicides amongst

the 5,000 farmers working with Zameen. Instead, farmers have regained their dignity through self determination and fair trading conditions.

Agriculture and Organic Farming Group (AOFG) AOFG Partnership

Zameen has a close partnership with the Agriculture and Organic Farming Group (AOFG), a non-profit NGO. AOFG's aim is to facilitate the development of independent, legally-registered farmer cluster associations

"By 'buying in' Zameen farmers have a vested interest in the company doing well. The farmers rightly scrutinise our operations, making their opinions known and are committed and engaged with the process due to their vested interest. We also have plans for two farmers to sit on our board and we work with Agriculture and Organic Farming Group (AOFG) to train farmers and develop their organisational structure."

Gijs Spoor, Director, Zameen Organic

that are self managed and able to directly sell organic Fairtrade cotton to buyers in accordance with strict international requirements. The partnership between Zameen and AOFG focuses on training farmers and develop their organisational structure by, building management teams, establishing business infrastructure

(offices and storage facilities) and increasing the technical capacity of the organic farmers (to increase yields and profit potential).

Simple and transparent value chains

Zameen also works as a supply chain management company. By working in partnership with other environmentally and socially responsible companies the aim is not only to raise environmental and social standards across the supply chain but also, crucially, to distribute profit more evenly along the value chain ensuring that farmers get a fairer share.

By enabling ethical brands to source organic and fair trade cotton directly from farmers, Zameen aims to reduce supply chain complexities and to create a transparent process. This approach also maximises benefits to farmers as it cuts out middlemen.

“Our focus has been to create sustainable positive change, and in that aspect our work is never complete; you never fully achieve the social objective you set out to. But you achieve incremental impact each year, and in the regions in which we work.”

Atul Narania, CEO, Zameen Organic

Zameen’s long term goal is to move up the value chain, integrating manufacturing processes into its business model. Zameen consortium partners, defined as Integrated Textile Manufacturers, believe in ethical and transparent supply chains thereby collaborating to deliver the best certified organic product. This means that brands can be confident that products are made to the highest ethical standards from start to finish. An example of this is the partnership with Alok Industries. Alok provides advance payment on part of the crop, helping farmers avoid taking on high risk debt. This provides farmers with security and the ability to plan for the future instead of living hand to mouth.

For further information on Zameen, visit: <http://www.zameen.org/>





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 220,000 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 1,110,000 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 fiber production and enables 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.
- TE 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.