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The Formation of an Organic Produce Cooperative of Small Farmers

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[Submitted Paper]

I am presenting an experience in Sri Lanka in the District of Kandy in a village in the mid-country where small farmers have been able to purchase or receive tea land which was fragmented at the time of the land reform in Sri Lanka, during the years 1973-1974. The tea lands were fragmented because they were uneconomical to be maintained in the form of tea plantation estates. The original idea in the distribution of land was to diversify the crops on this land, as they were eroded after 100 years of tea cultivation. The diversification process was supported by the World Bank and thereafter by the World Food Programme. But the farmers did not benefit very much by the infrastructure arrangements.

The Gami Seva Sevana (GSS), which is an NGO involved in rural and social development, started organising farmers in the form of group savings schemes. This was supported by the International Fund for Agricultural Development which worked through the Central Bank. The farmers were brought together and meetings were organised, the programme was explained and groups of seven to ten members were formed. They were to save Rs 10/- per week (US\$1 – Rs 56/-). Extension workers were appointed by GSS. They did visit these farmers, collected the savings on a particular day of the week, which was also a group meeting day, receipted for the money received and banked them through the Institution GSS the following day. There are today 25 such groups, and as of 30th April 1996, these groups consisted of 73 men and 116 women and had a total savings amounting to Rs 181,332/50, plus the accrued interest of Rs 24,517/52. These groups were in operation for 29 months. Since these were very poor farmers this proved to be an achievement and assurance that if the poor are motivated that savings are possible.

Another part of this programme was training and education activities that the farmers were interested in, and they were encouraged to get involved individually and collectively in income-generating programmes. The NGO with the help of the Central Bank was able to assist the farmers with small loans guaranteed by the group and hence, no co-lateral was needed. Out of these farmers, ten groups opted to

produce tea in an integrated way. Of the groups there were 35 families who already had marginal tea lands.

Gami Seva Sevana discussed with the Cooperative Commissioner the possibility of forming a Cooperative by making the small groups of seven as primary Cooperatives and an NGO to become a co-opted member of this Cooperative. This was done in order to make the Cooperative efficient, as the NGO could provide the training and extension. The Cooperative Commissioner was willing to incorporate this organisation as a new method of Cooperative formation in Sri Lanka. Today, the farmers belonging to the groups are producing the green leaf, and these groups have obtained the services of a nearby tea factory to do the processing for them. The NGO Extension Workers are visiting these groups and helping them to conserve soil, improve soil fertility, operate nurseries in order to produce vegetatively propagated new plants and plant the vacancies. The tea that is manufactured in the factory is collected by the producers and packed into five different grades – viz. BOP, BOP Fannings, Dust No. 1, Dust No. 2 and mixed grades. Items 1 and 2 are kept for export while 3, 4 and 5 are sold locally. This is due to the different tastes that people have. The local people are interested in strong tea with milk, hence Dust No. 1 is very popular. The other two grades are lighter and consumed very often without milk.

How do the farmers benefit from this? Since the farmers are practising organic agriculture, the inputs are locally found, hence reducing the cost. The local sales are sold at the same prices to the consumers. Samples of BOP and BOP Fannings have been submitted to Third World Shops in Europe, which have shown interest and placed orders for same. Due to the export price, the farmers can now receive a higher price for their green leaf. Thus they are able to benefit from added income to the family.

Gami Seva Sevana (Rural Service Centre)

Gami Seva Sevana (Rural Service Centre) is a brainchild of the Christian Workers' Fellowship (CWF). On 28th July 1979, the CWF Working Committee endorsed the following as its basic objectives:

- A programme of development education including the training of people for service in farming and rural work. To begin with, the Centre will give basic training in the practical aspects of animal husbandry and agriculture, and later hold courses covering management techniques and motivation, elementary book-keeping and any other skills that may be required. Follow-up courses and seminars will also be planned;
- A viable model farm unit to promote new methods and forms of farming;
- A place where people can come together for adult education, health programmes and other educational and cultural programmes of interest to inhabitants of rural areas. This Centre will also serve as a meeting place for inter-religious dialogue and meditation, open to people of all faiths and races. It will seek to foster community-building activities and programmes.

On 7th January 1981, Gami Seva Sevana was registered as a limited company.

Gami Seva Sevana is based at Galaha, a small village in the mid-country plantation area of Sri Lanka, in the Kandy District. A hundred years ago the British selected the area to begin planting tea. Today, the land has no topsoil and tea can no longer be grown economically. Hence the plantation estates have been fragmented and used for village expansion

Most villages do some backyard farming (dairy, poultry, goats) and grow vegetables and spices. The marketable produce of the area includes milk, eggs, meat, black pepper and vegetables. The objectives outlined above are aimed at helping these village communities develop on a self-reliance basis.

Since 1979, the programmes initially implemented have evolved according to local needs. The farm operated by the Centre has provided a place for practical training of young people. In response to popular demand a milk cooperative and a credit council were set up and a handloom workshop was established. Educational and cultural programmes have developed. The emphasis placed on using locally available resources to develop the soil has been of major importance, leading Gami Seva Sevana into organic farming and the study and use of appropriate technologies. With the experience thus gained, the Centre is now able to disseminate information on integrated organic farming and rural technologies appropriate to farming communities by way of seminars, workshops and a reference library with a question-and-answer service.

At Gami Seva Sevana trainees, instructors and other workers live together as members of an interfaith, multi-ethnic community which emphasises sharing and mutual responsibility.