



REQUEST FOR EXPRESSIONS OF INTEREST

Meghalaya Basin Management Agency

Assignment Title: Selection of Farmers Collectives for setting up Farmers Owned Farmers Operated Markets (FoFo)

Reference No: MBMA-134/2020/22

1. Background

- a. Over 70% of Meghalaya's population is engaged in Agriculture and Allied Activities for its livelihood and sustenance. With the aim of raising the overall income and quality of life of the farmers, the Government of Meghalaya has undertaken a number of interventions focussed around improving the efficiencies along the agricultural value chain. These initiatives are expected to raise production and productivity in agriculture and allied activities.
- b. However, the state's vision of 'Doubling the Farmers' Incomes' is hugely dependent on the ability of the farmers to be able to realise fair values for their produce. This falls within the realm of Agricultural Marketing which has been a fundamental problem in the state owing to the restrictions imposed by geography, topography and climate.
- c. The predominant current trading models of agricultural produce in Meghalaya involves produce, either being sold by individual farmers to the traders in the various local or cluster level markets or being aggregated by the village aggregator who in turn sells to a larger aggregator at the cluster or mandi level.
- d. However, the disruptions caused by COVID-19 pandemic have heavily impacted these local marketing arrangements, presenting both, a challenge and an opportunity. The restrictions such as Social Distancing have made the functioning of traditional markets difficult; case in point is the Iewduh (Burrabazar) market. The restrictions on movement have led to old crowded markets paving way for new markets, case in point being the new market at Elephant Falls. These restrictions have also impacted the functioning and supply chain of traditional traders/ aggregators, thus necessitating it for the Government



to create new infrastructure that would COVID Resilient. It would also be a place where in business can be carried out while maintaining health & hygiene at much better efficiencies and economies of scale, thus bringing higher returns to the farmers.

2. **Objective:** Develop Modern Farmers Owned Farmers Operated (FoFo) to be owned by Farmers Collectives aimed at protecting and promoting the interest of the farmers. Farmers' Markets are (retail) agricultural markets in close proximity to the farm gate, that promote and service a more efficient transaction of the farmers' produce across the agricultural sub-sectors, by enabling both direct sales, between the producer and consumer, and aggregation of small produce-lots for subsequent transaction. Refer ANNEXURE B for details.
3. The Meghalaya Basin Management Agency invites eligible Farmers Collectives to indicate their interest in providing the Services. Interested applicants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services.
4. Further information can be obtained at the address below during office hours [10.00 AM – 5.00 PM]
5. Expressions of Interest must be delivered in a written form as per ANNEXURE A to the address below through registered post/speed post/ courier/ by hand/ email on or before 22nd January 2021

Sd/-
The Chief Executive Officer
Meghalaya Basin Management Agency
C/o Meghalaya State Housing Financing Co-operative Society Ltd.
Nongrim Hills, Shillong-793003
Tel. no. 0364-2522921/2522992
Email ID: prime.rural.mbma@gmail.com

ANNEXURE A

FARMERS' MARKET

SECTION 1 – BASIC DETAILS OF THE FARMER'S COLLECTIVE

#	Question	Response	Remarks
1	Name of the Organisation / Farmer's Collective		
2	Type of the Organisation / Farmer's Collective (Only Cooperative Society, Integrated Village Cooperative Society (IVCS), Farmers Producers Organization (FPO), Self Help Group (SHG), SHG Federation or any group or society, that has a majority membership of farmers are eligible to apply)	<input type="checkbox"/> Cooperative Society <input type="checkbox"/> IVCS <input type="checkbox"/> Registered FPO <input type="checkbox"/> Unregistered FPO <input type="checkbox"/> Farmer Producer Group <input type="checkbox"/> SHG <input type="checkbox"/> Society working with farmers <input type="checkbox"/> Trust working with farmers <input type="checkbox"/> NGO working with farmers <input type="checkbox"/> Others (Mention)	
3	Location of the Organisation / Farmer's Collective	Village / Block / District	
4	Does the Organisation / Farmer's Collective registered?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5	If Yes, Date of registration of the Organisation / Farmer's Collective.		
6	Registered under which of the Acts?	<input type="checkbox"/> Cooperative Society <input type="checkbox"/> Producer Company <input type="checkbox"/> Societies Act <input type="checkbox"/> Trust <input type="checkbox"/> Company	

		<input type="checkbox"/> Others (Mention)	
7	Location of Registration	Village / Block / District	
8	Number of members of the Organisation / Farmer's Collective		
9	How many of the members are farmers?		
10	Total value of share of Capital / Equity available with the Organisation / Farmer's Collective		
11	Does the Organisation / Farmer's Collective have taken any loan from the Bank or Cooperative Society	<input type="checkbox"/> Yes <input type="checkbox"/> No	

SECTION 2 – LAND DETAILS

#	Question	Response	Remark
12	What type of Market the Organisation / Farmer's Collective is willing to construct?	<input type="checkbox"/> Larger <input type="checkbox"/> Smaller	
13	Does the Organisation / Farmer's Collective have land to construct the Market.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
14	If Yes, where is the location of the land?	Village / Block / District	
15	Does the proposed land have water accessibility?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
16	Does the proposed land have accessibility to Electricity?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
17	Does the proposed land has Road Connectivity?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
18	If No, how far is the land from Main Road?		
19	Does the proposed land have any existing shops or buildings?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
20	If Yes, mentions the number of shops or buildings available.	Shops _____ Buildings _____	

SECTION 3 – EXPERIENCE

#	Question	Response	Remarks
21	Does the Organisation / Farmer's collective have any experience in doing similar kind of agricultural marketing activities?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
22	If Yes, briefly explain the kind of the activities / initiatives undertaken?	(Write the brief about the activities / initiatives in 100 words)	
23	What is the turnover of the of activities / initiatives undertaken?		

SECTION 4 – PROPOSED FARMERS’ MARKET DETAILS

#	Question	Response	Remarks
24	Does the Organisation / Farmers’ Collective is willing and able contribute 10% of the project cost as their share of equity?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
25	How many Villages the proposed Market is able to provide service?		
26	Mentioned the Names of the Villages	1. Village / Block / District 2. Village / Block / District . . . 20. Village / Block / District	
27	What is the nearest Agriculture Market to the Proposed Farmers’ Market?		
28	How far is the nearest Agriculture Market to the Proposed Farmers’ Market?		
29	Contact Details of Organisation / Farmer's Collective	Name of the Person Designation Mobile No. Alternative Mobile No. Address:	

***Important Note:** All the shortlisted Organisations / Farmer’s Collectives will be contacted by MBMA. MBMA and the shortlisted Organisations / Farmer’s Collectives will jointly take up the Farmers’ Market Construction and prepare the Business plans.

ANNEXURE B

1. Background:

- 1.1. Over 70% of Meghalaya's population is engaged in agriculture and allied activities for its livelihood and sustenance. With the aim of raising the overall income and quality of life of the farmers, the Government of Meghalaya has undertaken a number of interventions focused around improving the efficiencies along the agricultural value chain development. These initiatives are expected to raise production and productivity in agriculture and allied activities.
- 1.2. At the same time, the state's vision of 'Doubling the Farmers' Incomes' is hugely dependent on the ability of the farmers to be able to realise fair values for their produce. This falls within the realm of agricultural marketing which has been a fundamental problem in the state owing to the restrictions imposed by geography, topography and climate.
- 1.3. Agricultural marketing in common parlance refers to a series of services and functions involved in moving the agricultural goods from the point of production to the point of consumption, and encompasses all the activities involved in creation of time, place, form and possession value. In Meghalaya, where landholding structure is dominated by small and marginal farmers, both production and post-production activities are challenged in terms of efficiency. Since the markets determine the value that their produce fetch, farmers need to be integrated with a market structure that will enable both transparency and efficiency.
- 1.4. However, agricultural market structure in Meghalaya has so far been lopsided. The current trading models of agricultural produce in Meghalaya involves produce, either being sold by individual farmers to the traders in the various

local or cluster level markets or being aggregated by the village aggregator who in turn sells to a larger aggregator at the cluster or mandi level. The small and marginal farmers with small marketable surplus ratios (MSRs) have not benefitted much from this marketing structure.

- 1.5. Moreover, the disruptions caused by COVID-19 pandemic have heavily impacted these local marketing arrangements presenting both, a challenge and an opportunity. The restrictions such as Social Distancing have made the functioning of traditional markets difficult, case in point is the Iewduh (Burrabazar) market. The restrictions on movement have led to old crowded markets paving way for new markets, case in point being the new market at Elephant Falls. These restrictions have also impacted the functioning and supply chain of traditional traders/ aggregators, thus necessitating it for the Government to create new infrastructure that would be COVID Resilient. It would also be a place wherein business can be carried out while maintaining health & hygiene at much better efficiencies and economies of scale, thus bringing higher returns to the farmers.

2. Solution.

- 2.1. In order to enable the farmers in Meghalaya in general, and those with small & marginal holding sizes in particular, it is necessary to set up (retail) agricultural market platforms in close proximity to the farm gates. These agricultural markets can be expected to support the farmers with the choice to participate directly, locally and in other markets, and at a more rational cost of transaction. Thus, the farmers are able to capture maximum value and garner an optimal share in the final consumers' rupee.
- 2.2. The farmer-producers may offer any of their agri-produce on sale directly to the consumers without having to go through the market regulations. The consumer could be a retail purchaser or a bulk purchaser (trader, processor, exporter etc); and the sale can occur through a physical negotiation or via an online trade platform like e-NAM. The disintermediation of such a transaction will result in transferring maximum value to the farmer on his produce.

3. Farmers' Market:

- 3.1. Farmers' Markets are (retail) agricultural markets in close proximity to the farm gate, that promote and service a more efficient transaction of the farmers' produce across the agricultural sub-sectors, by enabling both direct sales, between the producer and consumer, and aggregation of small produce-lots for subsequent transaction.

4. Principle Objectives:

- 4.1. **Direct Sale:** The farmers may offer any of their agri-produce on sale directly to the consumers. The consumer could be a retail purchaser or a bulk purchaser (trader, processor, exporter etc); and the sale can occur through a physical negotiation. The disintermediation of such a transaction will result in transferring maximum value to the farmer on his produce.
- 4.2. **Aggregation:** The small lots of the farmers can be aggregated through an institutional mechanism (like that of FPG, FPO, IVCS, Cooperative Society, etc.) for gaining enhanced bargaining power and subsequent sale.

5. Advantages of Farmers' Markets:

- 5.1. Some of the specific advantages of Farmers' Markets are as follows:
- 5.1.1. Reduce cost of first mile transportation by offering the farmers a marketing platform in close proximity to the farm gates.
 - 5.1.2. Reduce cost of transaction and enable the farmers to gain higher share in the consumers' rupee by facilitating direct sale.
 - 5.1.3. Provide an orderly and transparent system of aggregating the small lots and substitute for the currently opaque & informal system of aggregation by the traders.
 - 5.1.4. Provide small farmers the opportunity to target direct sales at markets of their own volition by providing the associated market linkage services.
 - 5.1.5. Provide greater opportunity for mobilization of farmers through mechanisms like FPOs, FPGs, IVCSs, Cooperative Societies etc.

5.1.6. Offer an integrated platform for purchase of agri-inputs, besides other consumer goods.

5.1.7. Serve as a place for dissemination of new information & knowledge relating to agriculture and other aspects of life.

6. Ownership:

6.1. Proposed Farmers' Markets are 'Farmers-Owned Farmers-Operated (FoFo) Markets'. Thus, these markets would be owned by farmers' collectives and would be centered around protecting and promoting the interests of the farmers.

6.2. The ownership and management of the markets will be solely with the farmers' collectives.

6.3. Farmers' collectives shall be any Cooperative Society, Integrated Village Cooperative Society (IVCS), Farmers Producers Organization (FPO), Self Help Group (SHG), SHG Federation or any group or society, that has a majority membership of farmers.

7. Target:

7.1. The State government intends to develop Farmers' Markets in following categories:

#	Size	Number	Investment/ Market
1	Large	5	Rs 1 Cr
2	Small	15-20	Rs. 50 Lakhs

8. Implementation:

8.1. Nodal Department:

The 'Meghalaya Basin Management Agency (MBMA)' would be the nodal agency for identifying the location, selection of the Farmers' Collectives, construction and supervision of the functioning of these markets.

8.2. Selection of Farmers' Collectives and Criteria:

MBMA shall be responsible for selection of Farmers' Collectives. Hence, MBMA would issue a notice seeking EOIs from those Farmers' Collectives that fulfil the following criteria:

8.2.1. Registered Entity or Willing Register:

The Farmers' Collective should be a registered body or willing to be registered, if gets selected.

8.2.2. Location:

The Farmers' Collective should preferably be located/ registered in the area in which it has evinced the interest in operating the Farmers' Market.

8.2.3. Land

1. Have suitable secured land with minimum acreage of **1 acre** for the **Large Markets**, **0.5 acre** for the **Small Markets**.
2. The land should have access to basic amenities such as water, electricity, etc.
3. The land should be levelled above the road level and should not have floating boulders or is prone to flooding in heavy rain.
4. The land should be located strategically, and it should ideally fulfill the following criteria -
 - A. It is easily accessible by -
 - a. Not less than **20 villages within a radius of approx. 10 km** - for the *larger markets*
 - b. At least **10 villages within a radius of 5 km** - for the *smaller markets*
 - B. The Road leading to this land should be preferably black topped, however, the construction of the road leading to the markets can be undertaken as part of the project.
 - C. Availability of assets such as existing buildings, shops etc. within the land would be preferred.

8.2.4. Characteristics of Farmers' Collective

1. Should be having the requisite experienced manpower to run the infrastructure created in a business-mode.
2. Should have a track record of doing business especially marketing of produce and running of retail outlets etc.

3. If it has taken for from a bank or Cooperative Society, should have repaid /is repaying regularly.
4. Must allocate adequate space for waste management.
5. Should have a basic business plan on running the market.

8.2.5. **Investment:**

The Farmers' Collective must be willing and able contribute 10% of the project cost as their share of equity for setting up of Farmer's Market.

8.2.6. **Clearances**

The Farmers' Collective must have the ability to get the necessary clearance for establishing the markets from the competent authority.

8.3. **Selection Process**

8.3.1. A Screening Committee comprising representatives from the MBMA would be constituted to scrutinize the EOIs. The Screening Committee would identify the **20-25 locations** (5 for Large Markets, 15-20 for the Smaller Markets) based on the -

- a) Proposals by the Farmers' Collectives
- b) Suitability and Need of the Market in a particular area
- c) Geographical Distribution
- d) Any other need-based criteria

8.3.2. The Screening Committee would then evaluate the applications and choose the most well-suited Farmers' Collective for each of the 20-25 locations.

8.3.3. Based on the recommendations of the Screening Committee, MBMA would partner with the selected Farmers' Collectives for construction and operationalization of the Farmers' Markets.

9. **Market infrastructure**

9.1. The infrastructure provided in Farmers' Market will have to be in sync with the two broad and major mandates, viz., direct sale and produce aggregation.

9.2. In the above context, the infrastructure required are of two following sub-categories:

- 9.2.1. Basic & support infrastructure
- 9.2.2. Market transaction infrastructure

These are discussed in the following sub-sections.

9.3. Basic & support infrastructure:

This refers to the primary infrastructure that will define the place as a market and create the primary environment to undertake various trade activities. The different types of infrastructure under this are as follows:

- 9.3.1. Boundary wall
- 9.3.2. 12 retail shops in Larger Markets and 6 retail shops in Smaller Markets
- 9.3.3. Internal roads and drainage network
- 9.3.4. Parking space
- 9.3.5. Office block
- 9.3.6. Electricity and back-up system
- 9.3.7. Raised sale-purchase platforms – open and covered
- 9.3.8. Infrastructure for livestock market
- 9.3.9. Food Kiosk
- 9.3.10. Storage (dry, cold, ventilated)
- 9.3.11. Sanitation and waste management system including compost pit
- 9.3.12. Resting place (Dormitory) – men and women
- 9.3.13. Drinking water
- 9.3.14. Toilets – men and women
- 9.3.15. Tree cover

9.4. Market & transaction infrastructure

This category includes facilities that will aid actual trade activities at the Farmers' Market and constitute sufficient condition for carrying out the Farmers' Market mandates.

- 9.4.1. Electronic weighing scales
- 9.4.2. Pre-conditioning- cleaning, sorting, grading, washing, waxing, etc. - unit of minimum capacity
- 9.4.3. Appropriate storage capacity to stage the produce for forward linkage.
- 9.4.4. Packaging facilities of dry commodities
- 9.4.5. Slaughterhouses

9.5. Bill of Quantities (BOQs) and Layouts

MBMA has finalized the BOQs and design layouts for the proposed Farmers' Markets for both Larger and Smaller Markets.