

SMALL FARMER DEVELOPMENT ASSOCIATION

by
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Introduction

Nearly 80% of the Sri Lankan population live in rural areas and earn their livelihood through agriculture. Rural agriculture is characterized by small holdings, with an average size of about 1.65 acres. According to the 1982 Census of Agriculture, 44% of the holdings are less than 1 acre in extent, 67%, less than 2 acres, and 83%, less than 3 acres. Hence, if any substantial increases in the productivity and the income levels of the rural people are to be achieved the development efforts will have to be directed towards the small-holder sector.

Such an effort depends mainly on the efficient and continuous transfer of information, knowledge, and modern technology to the rural sector, with equally efficient and continuous feed back from the people. This process can only be activated through two complementary mechanisms: a "delivery mechanism" and a "receiving mechanism."

The State as the dispenser of information and knowledge together with a package of necessary supplies and services presents the delivery mechanism. On the other hand, to obtain the maximum benefits that come from the State, there should be a receiving mechanism at the village level. The maximization of such benefits can be done through proper planning and execution of development programmes in which the beneficiaries play a vital role as decision-makers.

The Government of Sri Lanka, mindful of its obligations to rural people, has had several of its departments and semi-government organisations involved in this transfer of information, knowledge, and technology and in the delivery of

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supplies and services to the rural people. However, these departments and agencies whose lines of authority extended from the national level to the village level were concerned only with their particular range of activity. As a result no village-level officer from any one of these agencies or departments was able to look at a small farm as an entity or advise and service a farmer on a "whole-farm" approach. Thus these officers provided information and advice which did not have a holistic approach to rural problems.

The first attempt to create a delivery mechanism to fill this void in the delivery of support and services to the rural farmers was made with the passage of the Paddy Lands Act of 1958 when the village level officials were made ex-officio members of the Cultivation Committees. The establishment of the Agricultural Productivity Committees (APC) with the enactment of the Agricultural Productivity Law of 1972, brought together all the officials operating at the divisional level at the Centre along with a branch of the Bank of Ceylon. When the Agrarian Services Committees were set up under the Agrarian Services Act of 1979, each Committee provided a forum for eight field officers at divisional level, who had been formerly working in isolation, within the confines of their own offices either in the APC itself or scattered around the area, and for six nominated farmer representatives to plan and execute agricultural development programmes in the division.

Thus, the delivery mechanism via an Agrarian Services Committee (ASC) has already been established at the divisional level. Through this organisation, the continuous and efficient transfer of information, knowledge, and technology together with supply of inputs and services can be effected. But maximum benefit from this organisation cannot be obtained by the people and efficient feed-back from the people cannot be assured by this organisation due to the absence of a receiving mechanism at the village level. It is to satisfy this need that the ARTI attempted to create a receiving mechanism by organizing farmers into groups under the leadership of the elected Farmer Representatives (FRs) at the *yaya* (tract) level in 1980.

Project Background

The ARTI was established at a time when development efforts in the agricultural sector were dominated by an all-out drive to increase paddy production. However, from its inception the ARTI believed that the concept of integrated rural development with its socio-economic overtones should supercede the narrow view of development in terms of production statistics. This approach to rural development was tried out by the ARTI in a selected region in the Beminiwatte APC area in the Kegalle district as early as 1972. With the experience

gained at the Beminiwatte field laboratory and with the help of the FAO in the form of expert advice and financial assistance, the ARTI launched the action-research project entitled "Management Training for Leaders of Small Farmer Organisations" (Galgamuwa Project) at Galgamuwa in the Kurunegala District in July 1980.

Specifically, the objectives of the Galgamuwa Project when introduced in 1980 were as follows:

1. A country-wide *election* of FRs had been completed and thus there were more than 12,000 farmer leaders elected at the *yaya* level. This was as yet an untapped potential around which farmers could be organized into effective groups.
2. As these FRs had been elected in terms of the Agrarian Services Act of 1979, they would be the best link between the farmers and the ASC.
3. The transfer of knowledge and information, supply of inputs and other services to the farmer was the responsibility of the ASC. These could be done more efficiently when working with farmer groups rather than with individual farmers. The linkage of the ASC with farmer groups was facilitated by having six FRs as members of the ASC.
4. **For** the farmers' part, group activity as against individual activity would have the following advantages: (a) higher production could be executed as a group unlike with isolated and standard individual farming; (b) the required inputs like seed paddy, fertilizer, and pesticide could be obtained in bulk for the whole group and distributed within the group thus obtaining the economies of scale; (c) credit could be obtained from the Bank on group's responsibility, and social pressure could be applied on group members to repay loans; (d) farmers' "bargaining power" would increase when working as a group leading to better prices **for** their produce.

Project Area

The "Small Farmer Associations Project" (SFAP) which commenced in May 1984 was the second phase of the Galgamuwa Project. The SFAP covered the entirety of the Kurunegala district and one ASC area from each of the other districts except Jaffna, Mannar, Mullativu, Kilinochchi, and Batticaloa where unsettled security conditions prevailed at the time of the Project.

The District of Kurunegala was selected for this project for several reasons. It represented most of the characteristics of the whole island including its micro-cosm profile. It had all the climatic variations of the island, i.e., wet zone, intermediate zone, and dry zone. It had hilly as well as flat lands.

There were distinct areas cultivated under major irrigation, minor irrigation, and rainfed conditions. All types of crops grown in Sri Lanka were grown in this district. In addition, there were other considerations for the selection of this district as the project area for the Small Farmer Development Programme. They were:

1. Sixty percent of the population in the district was either at or below the poverty line as defined by the Government for the purpose of issuing food stamps.
2. There was a concentration of small farmers in the district. Over 60% of the farm families were either owner-cum-tenants or share-croppers.
3. An Integrated Rural Development Project was underway in the district with support from the World Bank.
4. The ARTI was already involved in the evaluation of the IRD Project
5. There was scope for generating non-farm incomes for the landless through access to credit and other income generating assets.

Kurunegala district has a land area of about 1850 square miles. The estimated population in 1979 was 1.18 million. Kurunegala is the third largest district in the country, accounting for 7% of the total area and 8% of the total population. The district is predominantly rural, having 96% of the population classified as rural according to 1971 census.

Small holdings predominate the paddy sector in the district. According to a study done by Department of Agrarian Services (DAS) in 1970, 31% of the operators had holdings of less than 0.5 acres each, 32%, from 0.5 to 1 acre each, 20%, from 1 to 2 acres each and 9%, from 2 to 5 acres each. Furthermore, 64% of the holdings were owner-operated and 91% of the holdings were jingly owned.

Kurunegala district is divided into 52 ASC areas with 52 Divisional Officers (DOs). There are 517 Cultivation Officers (COs) and 2236 FRs. Other officers involved in the SFAP: 14 Managers of Agricultural Development Authority (ADA), 52 Agricultural Instructors (AIs) 180 Agricultural Extension Officers (AEOs), and 15 Irrigation Technical Assistants (TAs).

Project Objectives

The main objectives of the Project:

1. To train farmer leaders and State officials to improve their capability in executing training programmes for development specifically for the small farmers.
2. To train small farmers, through group action, to increase food production by better water management, better use of inputs, and planned cultivation operations.
3. To assist the farmers in raising the family income and their standard of living through intensive, self-identified group production activities, with improved access to existing or innovative programmes of training, credit, inputs, marketing, processing, etc.
4. To increase the effectiveness of the local and higher level governmental and other institutions in better supporting and serving the small farmers and in promoting their active participation in self-development efforts.
5. To develop and implement training courses for the appropriate staff of various State departments and institutions.

Project Implementation

The main thrust of the project was the training programmes which were divided into five categories as follows: 1) small farmer group organisation training programme for FRs and officials; 2) participatory field level follow-up training programme; 3) quarterly review-cum-training programme; 4) round-up review-training programme; 5) orientation workshop on small farmer group organisations for officials at the district level.

Small farmer group organisation training programme. The small farmer group organisation training programme which was the principal training component was a three day course designed to train the representatives of the small farmers and officials of Agrarian Service Centres and at district and electorate levels, in the concepts, methodology, and organisation of small farmer groups; the aim being to put them in a position to organize and support such small-farmer groups in their villages. One important feature of this training programme was that farmers and officials took part in the same course together. Each course

had 10 FRs, 5 COs, 5 DOs, 5 AIs, 5 AEOs and one or two others like technical assistants, development assistants of the Banks, and managers of the ADA.

The first day was devoted to discussion of the general agricultural situation in the country and the district, causes of poverty and its magnitude, and the process of participation by the rural pool in development activities and in deriving their benefits. Detailed discussions were held on the process of group organisations.

The second day was devoted to a field trip to Galgamuwa ASC area to receive first hand information from the farmer: about the group organisation, activities, problems, achievements, and their processes of action.

The third day was devoted to discussing in detail technical matters such as crop production, irrigation, crop insurance, agricultural credit, livestock, agricultural marketing, etc., Line officers from the district and national level took part in these discussions. In this session, participants were given a thorough training in the preparation of group production plans.

The FRs who completed the training programme were encouraged to form small farmer associations in their yayas.

Participatory field level follow-up training programme. Once the small farmer groups had been formed by the trained FRs, follow-up training sessions were held in the villages in which officials, FRs, and the small-farmers took part. Such sessions aimed at increasing awareness of the importance of taking group approaches to solving their problems and explaining the procedures to be followed in such group action.

Quarterly review-cum-training programme. When the new groups had been in operation for three or four months, a quarterly review-cum-training session was held to review their progress and to encourage the exchange of views and ideas between various farmer groups. The aim was to create a process of learning through a self evaluation of success and failure, and to encourage each team of small farmers to draw-up future courses of action.

Round-up review-cum-training programme. A final round-up review was organized at the last session, with the participation of selected representatives from government agencies, to maintain dialogue between the farmers and officials, and to prepare the group plan for the next crop year.

Orientation workshop on small farmer group organisation. Apart from the above programme, two workshops were also organized for higher executives at the district level aimed at orienting them on basic concepts of the Project so as to ensure their support for its implementation.

Training Material. Much of the training material needed for the training programme was prepared by the Project personnel. It included brief handouts for the participants on such subjects as rural development, the Galgamuwa project, data collection methods, the participatory approach to group development and group marketing. Handouts from agencies and departments on technical subjects such as crop production, irrigation, agricultural credit and crop insurance were also distributed. A model paper was prepared for distribution to FRs and officials to assist them in organising the groups. This paper dealt with surveys, target group identification, procedure for group organisation, size and composition of leadership, group meeting procedures, planning, and how to raise money.

The short and simplified manuals on how to organize groups were prepared for use in the groups at the village level and by group leaders, while **six** selected case studies on small farmers groups were prepared for training purposes.

Apart from the above, the following materials were also used in training and extension activities:

- ❑ A slide story on group organisation and procedures
- ❑ Cassettes for group listening on a variety of technical subjects and on group development.
- ❑ Newsletters for distribution to officials and farmers.
- ❑ Radio programmes which were broadcast by the Sri Lanka Broadcasting Corporation and subsequently revised for group discussion.

Output of training programme. A total of 97 different training sessions were held, either as formal training sessions, participating review sessions or workshops. This resulted in the training of 495 officials (all levels) and 2068 FRs and group members in the principles and methods of group organisation, self-help, and group action.

Formation of Small Farmer Organisations

As already mentioned, after following the group organisation training programme for 3 days, the FRs formed SFAs in their yayas. One hundred and fifty-four small farmer groups involving 4020 households and around 11,000 acres of paddy land were formed before the project ended in April 1985. The process was as follows:

1. A meeting of yaya farmers was convened by the FR to discuss the SFAP -its concepts, advantages, methodology, etc., were discussed. The CO and the DO who were trained along with the FRs attended this meeting.
2. Conducting of yaya level survey to gather information on available resources in the yaya and on household socio-economic conditions.
3. A meeting of yaya farmers to explain the survey findings. A decision to form the SFA was taken at this meeting and the chairman, vice-chairman, and secretary/treasurer were elected. All members sign a group agreement voluntarily showing their willingness to help each other and work together for common good.
4. ASC was informed of the formation of the SFA through the CO of the area.

At a subsequent meeting of the SFA, coordinators, and committees are appointed for all important functions of the SFA such as irrigation, credit, input supplies, and marketing. All SFA members other than office-bearers were encouraged to become members of one or more of these functional committees to ensure the participation of every member in some activity of the SFA.

Duties of FR vis-a-vis the SFA:

To collect yaya and household data.

To assist in the formation of the SFA.

To help the SFA in the preparation of the production plan and its implementation.

To be the contact between the ASC and SFA.

To help the coordinators of functional groups in the performance of their duties.

To summon regular meetings of the SFA.

To motivate the group to adopt a self-help approach to development and problem solving.

Functions of SFA. The main function of the SFA is to prepare the Production Plan for the yaya. To start with, the emphasis is on one or two major crops, e.g. paddy, in which group action is known to be more effective than individual

efforts. Later on, when the group members realize the value of group action and establish confidence in leadership and in each other, they extend the activities to other areas. Meetings of the SFAs are held monthly or fortnightly as determined by the members. Minutes of meetings are kept by the secretary/treasurer who is the FR. At every meeting, a voluntary contribution is made which is deposited in the name of the Association. According to the latest information available 200 SFAs in Kurunegala district have opened Bank accounts and the deposits add up to about Rs. 100,000. Some SFAs have started collecting contributions in kind at harvest times. Amounts realized by sale of these commodities are deposited in the Bank account.

A Production Plan is submitted to the ASC through the CO who functions as the coordinator for all yaya SFAs in his area. ASC takes note of this Production Plan when the supply of inputs and services to the yaya are arranged.

Size of group. Under Galgamuwa Project, the farmers of the entire yaya became members of one SFA. As a result, some groups had as much as 90 to 100 members and it was found that large groups did not permit the effective participation of the majority in decision-making and sharing responsibilities. Therefore, in the SFA Project, the size of the group was limited to about 10-15 members, allowing a maximum of 25 members. If there were more than 25 farmers in the yaya then more than one SFA were formed. When there is only one group in the yaya the FR becomes secretary/treasurer, but when there is more than one group, each group has one of its members as Secretary/Treasurer and the FR becomes the coordinator of all SFAs in the yaya.

Membership of group. Membership is open to any farmer who had an operational interest in agriculture, livestock, or aquatic production in the yaya. In short, they include owner-tillers, tenants, share-croppers, and the landless. Although small farmer was defined as a person operating less than 3 acres of paddy land, the groups are free to admit big farmers if they subscribed to the objectives of the SFAs and were ready to work with the others in the yaya to fulfill those objectives. When there is more than one SFA for a yaya, separate SFAs are formed by taking adjacent farm lots together.

Leadership. Initially the SFA leadership is to be held by the trained FR; but gradually it is passed on to a dynamic member of the group. Leadership in the group is a crucial factor in determining the success or failure of the group. Leader should be capable of promoting and generating the participation of small farmers in SFA activities. However, the emphasis in these groups is on the development of shared leadership so that each group could eventually become a cohesive and action-oriented group.

Decision making. Decision making in the group is through the process of group meetings and consultations, and is done through group consensus. Voting is avoided as much as possible.

Estimated Cost of the SFA Programme

FAO's Contribution came in two phases: the first was when the project started in April 1984. A total of US\$ 156,000 was granted to the ARTI to launch the programme with the assistance of the DAS. The second phase of FAO financial support came as an additional support for local training activities. The total amount received then was US\$ 20,000. This additional financial help was required as the original programme of activities did not include training items such as a quarterly Review Programme, Round up Review-cum-Training Programme, etc. In a way, the SFA Programme also evolved as a learning process.

The total cost of a three day Training Programme is given in Table 1

TABLE 1. Total Cost of a Three Day Training Programme.

Item of Expenditure	Cost Rs.	No. of Trainees	
Living allowances	4500		
Fees for lectures	1700	Field officers	18
Travelling/Field Trip	1400	FRs	11
Secretarial Assistance	100		
Audio Visual	736		
Miscellaneous Expenses	356		
Total	8792		

Thus the per trainee cost was Rs. 303, which was cost-effective when considering the trainees contribution to the establishment of SFAs and the training of the farmers at the village level.

Achievements

It is too early to assess the achievements of the Kurunegala SFA Project. However, it is possible to indicate some significant trends in certain activity areas of the SFA Programme.

Irrigation management is one subject that was emphasized in all the training sessions and subsequent meetings at the field level. Along with the preparation of the production plan, the farmer groups were advised to give up their wasteful habit of late and staggered cultivation using the tank water. In several

yayas this has resulted in the saving of tank water sufficient for a successful Yala (dry) crop and also in a marked drop in the incidence of pests and diseases.

Institutional credit is another area where the members have been able to achieve some success immediately. Kurunegala district is noted for its high rate of defaulting and a large number of farmers in this area were not eligible for further institutional credit. After the formation of the SFAs the Banks agreed to grant further loans on the recommendation of the SFA. As a result, farmers have been able to get fresh loans and the rate of repayment is reported to be nearly 100%. Some of the reasons attributed to this successful credit management are: strict selection of farmers by the group for granting of loans; handing over of the responsibility of repayment to the farmers themselves; and group pressure on the members for early repayment.

Through group action some SFAs have been able to get better prices for their produce. Some SFAs which have built up sizable reserve funds or have linked up with Co-operative Credit Societies have gone to the extent of advancing money against crops to their members to prevent them from selling their produce at lower prices immediately after harvest.

The most important achievement of this Project, in my view, is the creation of group consciousness among the farmers. Most of the farmers who attended the training sessions expressed the view that village life was disintegrated and there was disunity and factionalism in the village, prior to the establishment of SFA. The Association created a group consciousness among the villagers as a result of the SFA activity.

Through group consciousness they are now able to identify common problems and common objectives and to work towards solving or achieving them for common good. They have gone beyond the concept of creating a receiving mechanism, to other areas of rural development.

A good example for this growing group consciousness was reported in Galgamuwa as early as 1983. In January 1983, six SFAs of the Usgala-Siyabalangamuwa Irrigation Project held their seasonal (*Maha Kanna*) meeting and decided that they needed at least 21 feet of water in the reservoir to cultivate the entire paddy tract under it. However, there was only 16 feet of water and farmers decided (in the absence of a representative from the Irrigation Department) to go ahead with cultivation, anticipating that they might be able to obtain an additional 5 feet of water from the Mahaweli Development Project to the reservoir. FRs met the Chairman of the Mahaweli Development Project through the ARTI and explained their legitimate right to get at least 6 feet of water from the Mahaweli. The Chairman refused to issue more water. Then they took their grievances to the Minister of the Mahaweli Development. In the

meantime, the SFAs decided to save the available water in the reservoir to cultivate a yala crop as it was late for a maha crop. However, the top-end farmers of the project continued to cultivate their fields. Then **240** farmers of the five SFAs sent a petition to the **MP** asking him to get the officials to stop issuing water from the reservoir for such cultivation. Farmers later informed us that they managed to take their demands to the highest authorities because of their willingness to work together as a group, which was instilled in them by the SFAs.

Now there is better understanding between officials and farmers, and extension workers have found it convenient for them to attend the meetings of the SFAs to convey their messages and also to get the feed back from the farmers. An independent evaluation of the Project has been done (Pathirana 1986). Ministry of Agricultural Development and Research has accepted this programme and requested further support from FAO for its extension to other areas. So far no positive response has been received from the FAO. However, this matter will be taken up at policy level to entrust to the DAS the functions of the training of farmers and officials and the formation of SFAs as a normal departmental programme.

Problems

The problems and difficulties the Project had to face were manifold. The success of a project of this nature will depend on continued interest of the farmers in group action. The retention of this interest will depend largely on the quality of the leadership, especially the **FR**. The quality of the FR leadership will largely depend on the effectiveness of the training programmes conducted at various stages.

If the farmers are left to themselves after the formation of the SFA there is the possibility that it will be inactive after some time. Official interaction is necessary. The most important thing is to have regular follow-up training. Problems could be discussed and solved at these meetings. In a project of this nature, where officials of a number of State institutions have to work as a team, there is always the problem of coordination. Even though the local officials from the various State institutions are cooperative and enthusiastic, they are forced to operate within the framework of their own institutions, having their own rules and regulations, which could be detrimental to the overall objectives of the Project. Sometimes, the other government agencies tend to treat this Project as a programme of the Agrarian Services Department only. When that happens their cooperation tends to be lacking and as a result farmers become frustrated.

There is also the problem of linking the timely supply of inputs, irrigation, and credit. If the supplies and services are not made available as expected, the production plan cannot be implemented at the field level and loss of interest in group action is inevitable.

The two enemies of any village level organisation are money and politics. When the accounts of the SFA are not openly discussed and made available for inspection, members may tend to distrust the office bearers of the Association. Similarly, if members get divided on political party lines, the organisation is bound to suffer. Hence members have been advised to discuss their accounts at every meeting and not to talk politics at any meeting.

Prospects

This project has a great potential for future rural development programmes. It certainly provides the receiving mechanism to disburse supports and services at the village level supplied by the government through its delivery mechanism. Benefits derived through the farmers by group action in their agricultural operation alone justify its extension to all yaya in the country. But the SFAs have gone beyond the creation of the receiving mechanism for agricultural matters and have established small industries, adult education centers, and nursery schools through group activity.

Once the SFAs at the yaya level are well established, it may be worthwhile to form a federation of SFAs at ASC level for the ASC to have a closer and direct dialogue with the SFAs.

The programme is now being spread to other areas by the DAS. However, the progress appears to be slow as the department has various other duties to perform. For the FRs to take initiative to form the associations, they should be given the necessary training on a planned basis.

If the programme is to retain its dynamism, it should take the character of a national programme and should be directed by an advisory committee consisting of all the Government agencies working at village level.

Comparison with Galoya Project

Almost at the same time that the Galgamuwa Project started, the ARTI introduced its other farmer organisation programme at Galoya under the Galoya Water Management Project.

There are three fundamental differences in the two projects. First, the farmer organisations (FOs) in Galoya left Bank (GOLB) were initiated by a group of specially trained graduates called Institutional Organizers (IO), who were outsiders to the project area. In Galgamuwa, it was done by the FOs which are made of farmers in the same area. Second, in the GOLB the FOs were formed at least initially **for** the purpose of better water management at the field channel level, whereas at Galgamuwa the emphasis was on agricultural production through a Production Plan. Finally, the **GOLB** Farmer Organisation Programme was especially formed for a major irrigation scheme, whereas the Galgamuwa **SFA** programme was meant for a village level agricultural development based on minor irrigation, rain water, or both.

Recently it so happened that a CO and IRR who were trained under the Kurunegala SFA Project formed a **SFA** in a field channel in the GOLB where a farmer organisation was also formed under the Galoya FO Project. Farmers found that the benefits they could get under the SFA were greater as the DAS, gave its patronage to that organisation. FOs have no such department to look after them and their relations with the Irrigation Department are only on matters concerning water. It is understood that FOs, which have been functioning at GOLB for some time, are expanding their activities beyond the concept of water management to other areas of agricultural production in the same way as SFAs.