

VAVUNIYA NORTH FRUIT GROWER'S COOPERATIVE SOCIETY

- SUPPORTED BY THE ILO LOCAL EMPOWERMENT THROUGH ECONOMIC DEVELOPMENT (LEED) PROJECT-



Taking the lead in reconciliation, employment creation, gender and value addition

Around 1.5 million kilograms of Red Lady Papaya are exported annually by the North South Fruit Processors Limited, which is a joint venture formed by the Vavuniya North Fruit Growers' Cooperative Society and the CR Exports. Through the sale of Red Lady Papaya and other produce, the joint venture netted LKR 120 million worth of sales in 2016 alone. Red Lady Papaya are grown by 350 members of the cooperative, who are all small scale farmers in the region. In February 2017, this Red Lady Papaya received the Fairtrade Certification by FLOCERT, and are being sold both locally and globally. The cooperative was the first organization to receive such certification for Red Lady Papaya in South Asia and the Pacific.

How it all started - Finding the right people

When the LEED project started in 2010, they encountered two major challenges - mobilization of farmers for collective action and provision of technical inputs for the farmers. To address these issues, the LEED project reached out to government institutions for support, namely the Department of Cooperatives, the Department of Agriculture, the Department of Social Services, and the Divisional Secretariat. These institutions had helped the LEED project to identify farmers and suitable locations for agricultural practices. In doing so, it was particularly important that female farmers were represented and involved in decision making.

Upon discussion with the partners involved, establishing a cooperative became the most viable and suitable option. Establishment of the cooperative came with many benefits for the farmers. Having a membership status improved the farmers' chances to receive certain loans for agricultural purposes and to enter into business with exporters from the South. In addition, the members received comprehensive technical inputs from government institutions, ranging from soil testing, quality control of seeds, water irrigation, and other farming practices. To monitor the practices of the farmers, the extension services of the Department of Agriculture provided hands-on services during the crop cycle on disease control, seeds certification, post-harvest management and so forth.



Bridging the North/South development gap through partnerships

Vavuniya North Fruit Grower's Cooperative is situated in the Northern Province while CR Exports, the largest fruit and vegetable exporter of Sri Lanka, is situated in the outskirts of Colombo. Establishing a partnership among organizations in the North and the South was a strategic decision to facilitate reconciliation and economic and social cohesion. As most of the infrastructure and assets had been destroyed during the conflict, the opportunities for private sector investment in the region seemed highly unlikely at the time. Undeterred, the LEED project team knocked on the doors of more than 10 exporters in the South in their quest to establish mutually beneficial partnerships. As a result, North South Fruit Processors Ltd, a joint venture, was established in 2012, in which the cooperative owns 55% of the share.

The partnership has reaped both tangible and intangible benefits. According to the President of the cooperative, Mr. Sabarathnam, "the partnership with CR Exports has allowed us to go beyond and aim higher. Before, we did not know about market demands, pricing and branding. Hence, the partnership has definitely complimented our business in terms of know-hows and access and we can now guarantee a better, fairer price for the cooperative members." The partnership has also challenged cultural norms and cooperative's preconception of organizations in the South. Mr. Sabarathnam further stated, "Today we see the CR Exports as partners working towards a shared goal."



"Other cooperatives have seen the benefits of partnerships, so they are trying to replicate our model."

- Mr. Sabarathnam,
President, Vavuniya
North Fruit Grower's
Cooperative



Organizational learning

The success of the cooperative is a result of meticulous efforts to address a wide range of issues in a systematic manner.

For example, the cooperative provides direct pick-up services for its members to transport produce to the packing shed. This service has proven to be very effective especially for farmers, who were unable to leave their homes as they had to attend to their children and elderly family members. The cooperative also built a total of 25 km of fences around the member's land to protect their produce from wild animals.

In order to sustain the business model, it is proved important to avoid over-saturating the market. Hence, the cooperative controls the production surplus by encouraging the members to pluck out young fruits, control production and water usage.

Other challenges faced by the cooperatives include farmers buying cheap, and low-quality seeds from outsiders. These seeds have not only jeopardized the quality of the produce but has also spread diseases. With the supervision of the Department of Agriculture, the cooperative engaged in disease prevention and raising awareness among their members on the consequences of purchasing low-quality seeds.

Lastly in order to avoid mono cropping, the cooperative launched a product diversification programme and is venturing to grow and market produce such as Moringa leaves and Passion Fruit. Learning from Vinayagapuram Farmer's Cooperative Society - Mulankavil that has established a partnership with the Greenfield Bio Plantations (Pvt) Limited, the cooperative is considering to set up a processing plant to dehydrate and pulp produce. In doing so, they will be able to sell a wider range of value-added products.

Fairtrade certification

In early 2016, the LEED project introduced the concept of Fairtrade certification to the cooperative. Fairtrade certification comes with multiple benefits for the farmers; the certification guarantees Fairtrade minimum and premium prices and enhances access to foreign markets.

The process of receiving a certification, however, was no easy task. The main challenge was to ensure members' compliance to regulations to meet the requirements of Fairtrade certification. The cooperative made regular contact with their members to monitor their progress and had the auditors from the Fairtrade visit the farmers. The attainment of the Fairtrade certification was a result of a painstaking, but essential cycle of monitoring and evaluation.

"In 2000, my son, husband, and I came to Vavuniya from Trincomalee to resettle. Before joining the cooperative, we did not know how to access the markets and for what price we should bargain for. The market price was fluctuating too. Once we joined the cooperative, the cooperative gave us papaya seeds and half an acre of land. We started off there. There are some seasonal fluctuations, but we produce minimum of 1000 kg to maximum 6000 kg/ week, which is then sold to the cooperative at the rate of 30 Sri Lankan Rupees/ kg. We had a lot of loans, but we have paid it all back. The compulsory saving scheme of the cooperative helped us to achieve this. I have made saving for our son and for myself. I feel very proud. I want my son to get a good education and get a stable job in the future."

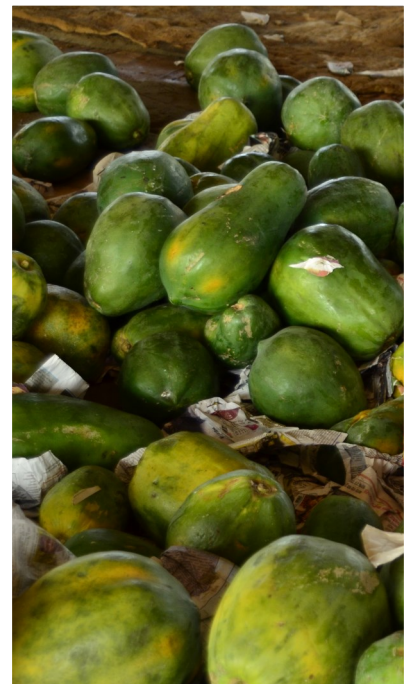
- A female cooperative member

Path to empowerment

Many of the female members are also the sole breadwinners of the family. With the income they have earned from selling their produce to the cooperative, they have renovated their houses and purchased household goods such as electronic appliances and invested in purchasing motorbikes and livestock. According to another female member, "I feel proud knowing that my papayas are being sold and enjoyed by people from other parts of the country and the world."

The way forward

After engaging with the cooperative, the farmers were able to improve their living standards, make savings and increase their purchasing power. Today, the Vavuniya North Fruit Grower's Cooperative Society is aiming to increase their membership by an additional 150 households. The cooperative has demonstrated how demand-driven production of value-added goods, provision of adequate services and support for members, and creation of partnerships can lead to expansion, sustainability, and local economic development. The north-south cooperation has proven effective in contributing to the reconciliation process and economic cohesion.



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