

# CARGILL News

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## NOURISHING INDIA

CARGILL'S WORK WITH CARE AND WFP

# Nourishing India



Siabai is a widow with three children. Her youngest daughter, Sajanbai, was severely malnourished, weighing only 9 kilograms (20 pounds) at age 4. Intervention by the WFP project hospitalized Sajanbai and got her weight to the point she could return to the village childcare center. Her mother has switched to using water from the village pump and treating it with chlorine drops, rather than giving her children river water. Her yard now has a hand-washing station and a large kitchen garden.

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## Cargill's growing food business in India is concentrating its corporate responsibility efforts on malnutrition and its underlying causes.

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By Paul Dienhart  
Photos by Palani Mohan

India's complexity includes a great paradox. It is a country with the world's fourth largest economy and the world's largest concentration of consumers. It also is a country where almost one-third of the population faces nutritional challenges and more than 40 percent of children under age 5 are malnourished.

Cargill India began a crusade against malnutrition in 2008 when it became the first vegetable oil producer to fortify its Nature Fresh™ and Gemini™ consumer brands with the essential vitamins A, D and E. Since then, competitors have imitated the effort—reducing a “competitive advantage we are happy to lose,” said Siraj Chaundhry, Cargill India country representative.

These vegetable oils alone reach some 30 million Indian consumers. A series of projects called “Nourishing India” will reach millions more. As with the oil fortification effort, Cargill is hoping for imitation and is partnering with NGOs and the government to have more impact.

“We deliberately chose to work with government and NGOs to make a difference,” said Ishteyaque Amjad, direc-

tor of Corporate Affairs for Cargill India. “All three are important. The government brings the ultimate scale of delivery. The NGOs bring the passion and the vision. And Cargill brings corporate efficiency.”

The following stories report on two major efforts in Nourishing India. In the hunger hot spot of India's central state of Madhya Pradesh, Cargill recently began a \$3 million, two-year project with the United Nations World Food Programme (WFP) and the state government. The aim is to reach 766 villages and more than a million people, establishing a model for future projects.

In the western state of Gujarat, Cargill is working with CARE and government partners on multiple fronts to address the causes of poverty and food insecurity. The five-year, \$2.5 million project builds on CARE's work there since 2004.

While the WFP project shows the stark face of malnutrition in a project where intervention is just beginning, the CARE project shows how big a difference can be made with such an effort.

**Editor's note:** In March, *Cargill News* will present a special issue on Cargill's business activities in India—another side of Nourishing India.



For two days, the entire village of Lakhaniya gathered to develop a micro-plan for economic development. Then they painted the plan on a wall in the village square.

# A Plan for Empowerment

**Cargill is supporting a CARE project in the Kutch region of India that is methodically breaking the cycle of extreme poverty.**

The plan is there for all to see. Carefully painted on a white-washed wall in the village of Lakhaniya is a two-year plan for improving schools, healthcare, the economy and services for the village's 121 families. All the adults of the village were invited to help prepare the plan over two days of discussion.

As villagers gather around the visitors from Cargill and CARE, eager to explain their plan and what they have accomplished, it is hard to believe these are some of the poorest, most isolated people in India. They live in Kutch, a beleaguered part of India's state of Gujarat. Kutch is a desert area, a tribal region of ancient traditions and site of a devastating earthquake in 2001 that killed 30,000.

CARE entered the region to work on earthquake relief in 2001. The project evolved into a number of ingenious strategies for empowering people to lift themselves out of poverty. In 2008, Cargill decided to help CARE take the project to the next level with a \$2.5 million donation over five years—the Kutch

Livelihood Education Advancement Project, or K-LEAP. It involves 225 villages and more than 9,000 families.

Khattu Ben, a charismatic widow with a prematurely lined face, steps forward to explain the plan on the wall. The first panel shows the village's resources, including people and livestock, she explains. Another panel is the actual micro-plan involving training programs, women's self-help groups, health education and access to a mobile hospital. Each item has an action plan and timetable. Panels on micro-finance and on agriculture, the main sources of economic activities, complete the plan.

Asked about the role of Cargill, Khattu Ben smiles a bit mischievously and rubs her index finger against her thumb, the universal symbol for money. In fact, CARE is careful to use the Cargill funds to motivate villagers to commit to investments in their own future. Like the WFP project (see page 20), the aim is self-sufficiency—activities that will continue long after the Cargill funding is gone and CARE withdraws from Kutch.

Village women, traditionally confined to their homes, have formed self-help groups that pool savings and make micro-loans—an activity seeded by Cargill funds. Usurious moneylenders have been nudged aside, and the plan on the wall notes that loans totaling 500,000 rupees or \$10,400 are outstanding.

Because of the loans, the village now boasts a tractor, lift-irrigation equipment and a flour mill, among other projects. The 45 villagers in the animal husbandry group determined that access to cattle feed was their biggest limitation. An initial grant of \$1,200 positioned them for more profitable farming and the ability to qualify for future loans.

The financing has even changed some age-old customs and traditions. Pregnant women now travel to the local hospital to give birth, and are provided with a micro-loan if necessary.

But the biggest change may be the role of women in the community. Traditionally, women and girls were confined to the house with a limited ability to even socialize with other women. The protocol for a woman even to talk with a male family member required her to cover her face with a veil. No more. As the villagers gather in the meeting hall to tell their stories, women are mixed with men and no longer sit silently, as they once did, against the back wall. Today, 89 women in the village are involved in the five self-help groups that oversee the micro-loan financing.

Khattu Ben, the village matriarch, is sitting in the front row and describes the change. "Before, we just did work in our homes alone," she says. "We had never seen a banker in our lives. Now, we visit banks and obtain bank loans. Our families



Improving nutrition isn't just a matter of having enough to eat. The approach of Cargill and CARE is to break the cycle of poverty and allow people to raise their own standards of living.



**LEFT:** A Cluster meeting involves 19 self-help groups from the villages. Coming together, they can pool their financial resources to provide loans for goats, two-wheelers and other requests the women consider for financing. Loans too large to be funded by a group go to the Cluster for considering. The next step involves organizing all the Clusters into a Federation that, essentially, will be a true bank.

**BELOW:** Farmers are happy with the three Agricultural Service Centers where they can rent plows or irrigation equipment and buy seed and other inputs.

**BOTTOM:** Veena Padia is CARE's director in Gujarat State, the location of the beleaguered Kutch region.

are respecting us for these financial improvements. We used to beg for money. Now, it is we who are being asked."

Veena Padia, CARE program director for Gujarat state, nods her head as she translates Khattu Ben's speech from the Gujarati language. "Small amounts of money help them a lot," she says. "With five or six repeat loans, you can get them out of poverty in five or six years. That's what we're here to do: break the cycle of poverty."

## Mind the gap

Gujarat is a state that mirrors India as a whole in some ways. It has one of the fastest growing economies in India and its government has some excellent programs to help alleviate poverty. But delivering those programs to the remote Kutch region has been hit and miss.

"K-LEAP is a classic example of adding value to what the government already is doing," says Ishteyaque Amjad, director of Corporate Affairs for Cargill India. "CARE is helping to fill the gaps. There were government schools, but they needed teacher training. Dairy producers needed help with marketing so they would be more motivated to send their children to school."

As CARE worked on relief for the 2001 earthquake in Kutch, the team had something of an epiphany. "We realized we needed to address the underlying causes of poverty," says Dr. Amarendra Sinha, program manager for CARE.

The five-person CARE team aligned with a local NGO and set about finding *gaps*, the missing links that kept cycling people back into poverty, generation after generation. One of the most obvious gaps involved women. Confining women to homes marginalized half the population, creating a huge talent gap. The situation was compounded by the common practice of not sending girls to school.

Education for girls and empowering self-help groups for





**TOP:** CARE encouraged the National Dairy Development Board to return to the Kutch region with the promise of improved dairy production. With better farming practices and a market for their milk, dairy farmers have increased milk production 100 percent and quadrupled their incomes.

**ABOVE:** The traditional embroidery of the Kutch region of India goes back many centuries. More than 3,000 women from 100 villages earn income from sewing the 16 classic patterns. A nonprofit business called Shrujan buys the patterns for cash and puts them on purses, quilts and other items for sale in Mumbai and around the world. Through the CARE project, master trainers are helping women improve the quality of their stitching so their work can qualify for export sales.

women became cornerstones of the Kutch program. As with all of the CARE activities, these structures allow the change to come from the people themselves. While handouts may be needed for desperate situations, the result is only temporary change. The projects in Kutch are serving as a model for CARE's work in nine other Indian states.

## Riding a bike

Himangi Goswami, age 12, steps to the front of the classroom and delivers a speech from memory. Although the words are Gujarati, the self-confidence and assurance of the girl is obvious. Seeing Himangi in her school uniform and carefully braided hair, it is hard to imagine that some girls in this region go into arranged marriages as young as age 13.

Himangi goes to a government boarding school for girls in the village of Kodki. CARE is working with more than 130 schools and special learning centers to provide a model of what education can be. Science demonstration kits, colorful new textbooks with the Cargill™ logo on the cover, teacher training, sports equipment and a new curriculum that emphasizes hands-on learning activities are all part of the program.

There were only 17 girls at the school when CARE began its work. Now there are 85, and Himangi is one of the girls who returned to school after dropping out. "I had no fun at the other school I attended," she says. "I've made new friends here. My favorite subjects are math and science. Someday, I hope to be a doctor."

As for many of the girls, one of the highlights for Himangi was learning to ride a bike—a socially unacceptable activity for girls in many of the rural villages. The curriculum is heavily based on inspiring confidence in the students about their ability to learn, and mastering a bicycle is part of that.

As the girls happily show off their classroom skills to the visitors, Padia, the CARE program director, leans over and whispers, "These are the future leaders." That statement would be easy to believe for any visitor to this classroom.

## Power of the group

This is high finance for the Kutch region. Nineteen women sit in a circle, an exotic group in their colorful sarees, distinctive jewelry and tribal tattoos. Many have a ledger book lying in front of them. A few hold checks or thick wads of rupee notes. It is a Cluster meeting.

Each woman represents one self-help group. Coming together in what CARE calls a Cluster, the groups are able to pool their funds and consider larger loan requests than any single group could fund. The checks are signs that some of the loans have been approved.

Unlike bankers, the women know the loan applicants personally, and there is heavy social pressure in the village to repay the loans, along with the 2 percent monthly "service fee." (Money-lenders charge 5 percent interest and demand jewelry as collat-

eral—possessions that often fail to be returned.) Most loans are paid back within a few months. Once a borrower repays a loan, he or she is qualified to borrow twice as much.

The woman with the fistful of notes is bringing 41,000 in rupees to deposit with the Cluster. Each month, the Cluster meets to consider a list of loan requests and settle the books for previous loans.

Just as important as the financial activity, the Clusters bring women together to talk and share concerns. As a result, society is changing. Girls are being sent to school instead of staying home to take care of younger siblings. And the tradition has been broken of making a pre-arranged marriage on the sixth day after a child's birth.

“This happened because through the self-help groups we are talking to one another now,” says one of the women. “We were not aware of anything before.”

The math says some powerful things about the ability of these people to work for the future. Take the case of a self-help group in the village of Lakhaniya. The 20 or so women in the group pooled savings in the amount of 130,000 rupees (\$2,800); Cargill funds

seeded the group with another 100,000 rupees; the 230,000 rupees then went to loans that earned service charges. Jenna Ben Mamad of the group opens a ledger to show a total amount of 547,000 rupees (\$11,600).

“There was a time when, if we needed 100 rupees (about \$2), we were in trouble,” she says. “Now, if we need a loan of 4,000 rupees or 80,000 rupees, we are able to ask the group.”

More than 5,000 women of Kutch are now in self-help groups arising from the CARE project. Their collective strength will increase shortly when the Clusters join together into a Federation—a consolidation of all the financial assets that, essentially, will create a true bank.

## A dairy revolution

India is a largely vegetarian country where a prime source of protein is milk. The Dairy farmers of Kutch were basically doing subsistence farming when the CARE project started. They had lost their market because the National Dairy Development



One activity that really has empowered girls is teaching them to ride bicycles. Most of the girls come from families too poor to own bikes or from villages that prohibit girls from such freedoms.



Girls in the Kutch region often don't attend school or quickly drop out. The CARE project has targeted female education as an empowerment strategy. Confident young women like these at an all-girls boarding school will have much to do with creating a better future for Kutch.



Board (NDDB) and other dairies did not feel it was worthwhile to collect such small amounts of milk.

What has happened since might be called a revolution. The NDDB is buying again, and there are 153 milk-collection stations involving more than 4,000 farmers. Milk production has gone up 100 percent and farmer incomes are up by 400 percent.

"It took a lot of negotiating to get a buyer for milk to come back to this area," CARE's Dr. Sinha says. "We finally got agreement if the villages would commit to production of at least 100 liters of milk per delivery."

The key to higher production was access to better livestock feed. So CARE helped arrange for an economical feed supplement containing cottonseed cake and wheat husks. Collectively buying feed in bulk means an affordable price for individual farmers.

Everything is on a very small scale by Western standards. Farmers milk by hand and a single 40-liter milkcan may contain milk from 10 families. But family incomes are rising. The farmers are paid on the basis of butterfat content, which is tested at the collection station. Each farmer gets a print-out of his or her milk contribution. A bank electronically deposits payments into the farmers' bank accounts.

Similar improvements are happening for crop farmers with production up an average of 30 percent. A big reason was the creation of Agricultural Service Centers.

Down a winding dirt road is one of the three centers built under the CARE project. A crude but well-intentioned Cargill™ logo is painted on its wall, along with logos for the other sponsors: CARE, Vivekananda Research & Training Institute (the local NGO partner)

and the U.S. Department of Agriculture. About 40 farmers—mostly men, but some women, too—are waiting to meet the visitors.

Centrally located to serve 38 villages, the center offers several plows that can be drawn by bullocks, three lift-irrigation pumps sit in the corner, a shelf holds bags of certified seed and there's even a liquid-nitrogen container for bull semen to improve their dairy genetics.

While the majority of micro-loans fund agriculture inputs, there's still the problem of getting the products to farmers who view 60 km (40 miles) as an impossible distance to travel. "We had to find a way to bring the inputs to the villages," Sinha says. "That is the gap addressed by the centers."

Funds provided by Cargill built the center and pay to staff the center. But like all the CARE projects, the aim is to make it self-supporting. In two years, equipment rentals and payments for services like soil testing have generated 500,000 rupees in income.

At an impromptu meeting, one farmer testifies that his income has gone up tenfold because of the services provided by the center. Others talk of getting a loan to buy a quality bull or of the jump in their milk production because of access to feed.

It would be hard to find more passionate friends of Cargill than the group sitting cross-legged on the floor of this small concrete building. But people tend to be passionate when their lives are transformed for the better.

"Some small, small interventions can help poor people in a big way," says Padia.



Three leaders of the village of Lakhaniya are (l-r): Purbai Budhiya (holding the micro-finance ledger), Khattu Ben and Jenna Ben Mamad. The three self-help women's groups in the village now have \$4,700 in savings, up from zero just three years ago.

## Postscript

Throughout the two days that the CARE and Cargill team visited the project, the people of Kutch were incredibly welcoming. They clearly appreciated the help, but rightly took pride in what they had accomplished for themselves.

At the meeting in the Agricultural Service Center, one farmer seemed to sum it all up. He stood up and it was clear, even though he was speaking Gujarati, that his words were heartfelt. "In 1998, nothing was happening here," he began. "Then CARE and Cargill came. We were able to get together and discuss our difficulties. We learned how to work together to resolve our problems. This has been the biggest difference. We have all come together."

Suddenly, the room filled with the sound of clapping. ☐

*CARE and Cargill have worked together for nearly 20 years to combat poverty around the world. The work CARE and Cargill are doing in India is part of a five-year \$10 million partnership to improve the lives of more than 100,000 people in rural communities across seven countries.*