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Evaluation of farmer producer organisations: Case of Bharuch district

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Abstract

The study has evaluated the function and management practices of farmer producer organization in contest of Bharuch district's FPOs. The study is based on the primary data collected from the pre tested schedule from member and officials of FPOs like CEO, director and also from the promoting institute. Members reaped significant benefits from the FPO in terms of increased price realization and access to specialist markets. For sustainability of FPOs number of member and capital play crucial role Other advantages of joining the FPO include the provision of top- quality inputs on a timely basis.

Keywords: FPO, management practices, Bharuch

Introduction

Agriculture is extremely important in India's economy. Small-scale agriculture, as a key element, is crucial for India's agricultural growth, food security, and livelihoods. Small and marginal farmers account for more than 80% of all farmers in India. Agriculture 's share in the Gross Domestic Product (GDP) of the country has decreased since 1950. The number of people dependent on agriculture has decreased slightly, but only marginally.

The size of operational holdings in India is continuously declining with every successive generation. The situation has raised serious question on the survivability of these small holders (Singh and Vatta, 2019) ^[4] According to the XII plan Working Group, "The small and marginal farmers are certainly going to stay for a longtime in India — though they are going to face a number of challenges".

Now, the task is to maximize advantages by efficient and reliable means of aggregation models. An ideal aggregation model is important primarily because of the transformation of Indian agriculture to high-value commodities resulting from the liberalization of the agri-food industry, globalization, increased buying power, demand for healthy and quality food, ready to eat product etc. Due to land fragmentation, it has become even more pertinent. With every successive generation, the size of operational holdings in India is continually decreasing further. Under these circumstances, the major challenge will be to integrate these smallholders with agricultural markets so that benefits of transforming agriculture, business climate and growing economy can be exploited and help small and marginal farmers to achieve higher incomes and contribute to more inclusive growth.

The concept of Producer Organisation in India blends well with the new possibilities and climate. Primary Producers' organizations or collectivities are being argued to be the only institutions which can protect small farmers from

globalization by helping farmers buy or sell better due to scale benefits, lower transaction cost, technical help in production, and creating social capital. Producers' Organisations (POs) can also help appropriate a part of the value created in the chain by private sector, for their members. Different state departments and central agencies are involved in mobilising the primary producers into producer organisations under various schemes. Among the central level institutions, SFAC and NABARD are the major institutions taking up the task of promoting FPOs in the country. It's critical to understand the FPOs' strengths and limitations, as well as the opportunities and threats they face, in order to recommend policies that will help them function better.

Materials and Methods

The Primary data was collected from the 5 selected FPOs from the Bharuch District of Gujarat randomly. The primary data were also collected from officials of 5 FPOs, like CEO, director and also from the promoting institute of FPOs. The data were also collected from the NABARD, SFAC, and state agricultural department. The sample FPOs which were studied *viz.*, Sarasa Maa Farmers Producers Co-Operative Society Limited, Thakorji Farmers Producers Co- Operative Society Limited, Parishram Farmers Producers Co-Operative Society Limited, Sahayog Krushi Producer Company Limited, Netrang Pulse Crop Producer Company Limited. The data were analysed by using of tabular method.

Results and Discussion

The basic profile of sample FPOs illustrate in Table: 1. Out of 5 FPOs, 3 FPOs were registered as Co-operative society act and other 2 FPOs were registered as a producer company act. Vijay Bharti Sanstha Promoted 3 FPOs which registered under co-operative act, Sahayog Krushi Producer Company

Limited is promoted by Vikas- Center for Development and Netrang Pulse Crop Producer Company Limited. As per the selected FPOs, 4 FPOs had NABARD as a Resource institute, while Netrang Pulse crop producer company limited was resourced by SFAC. Thakorji Farmers Producers Co-Operative Society Limited have highest no. of operational villages, which is 138 and also worked in highest no. of block at 3 as compared to other remaining 4 FPOs. Thakorji Farmers Producers Co-Operative Society Limited and Netrang Pulse Crop Producer Company Limited had more than 1000 farmer as a member each who are actively participated in FPOs activity. Parishram

Farmers Producers Co-Operative Society Limited had only 30 percent are tenant farmer, whereas other remaining 4 FPOs had more than 80 per`cent each tenant farmers. All 5 selected FPOs had same authorized capital of 5 Lac. Sahayog Krushi Producer Company Limited and Netrang Pulse Crop Producer Company Limited had 2.45 lac and 2.55 lac paid up capital respectively. Netrang Pulse Crop Producer Company Limited working well with highest turnover of 62.29 lac where, Parishram Farmers Producers Co-Operative Society Limited was still in formation stage with turnover of 11.3 lac, because of no more activity is under taken by this FPO.

Table 1: Basic Profile of Farmer Producer Organisation

Name of FPO	Sarasa Maa Farmers Producers Co-Operative Society Limited	Thakorji Farmers Producers Co-Operative Society Limited	Parishram Farmers Producers Co-Operative Society Limited	Sahayog Krushi Producer Company Limited	Netrang Pulse Crop Producer Company Limited
Promoting institution	Vijay Bharti Sanstha	Vijay Bharti Sanstha	Vijay Bharti Sanstha	Vikas-Center for Development	Aga khan rural support programme
Resource Institute	NABARD	NABARD	NABARD	NABARD	SFAC
No. of operational villages	15	138	2	22	28
No. of operational blocks	1	3	1	2	1
Date of registration	3/29/2017	3/29/2017	3/29/2017	2/18/2016	1/3/2013
Number of members	219	1000	102	245	1007
What percentage of members are small holders and tenant farmers?	90	80	30	95	95
Authorised Capital (Rs. in lakhs)	5	5	5	5	5
Paid-up Capital (Rs. in lakhs)	1.5	0.89	0.69	2.45	2.53
Total Turnover of the FPC (Rs. in lakhs)	20	38.43	11.3	18	62.29

Table 2: Governance and Human resource section of Farmer Producer Organisations

Name of FPO	Sarasa Maa Farmers Producers Co-Operative Society Limited	Thakorji Farmers Producers Co-Operative Society Limited	Parishram Farmers Producers Co-Operative Society Limited	Sahayog Krushi Producer Company Limited	Netrang Pulse Crop Producer Company Limited
Number of BODs	11	11	10	10	10
Number of women BOD:	1	2	1	0	0
BOD meeting Interval	Monthly	Monthly	Quarterly	Monthly	Monthly
Selection Process of BODs:	Lead Farmer are promoted as BOD and approved by AGM	Lead Farmers are promoted as BOD and approved by AGM	Lead Farmers are Promoted as BOD and approved by AGM	Lead Farmers are promoted as BODs and approved by AGM	Lead Farmers are promoted as BODs and approved by AGM
Facilities from local stake holders	NABARD – Producers Organisation Development Fund	NABARD – Producers Organisation Development Fund	NABARD – Producers Organisation Development Fund	NABARD – Producers Organisation Development Fund	SFAC- Credit Guarantee Fund
Different organization position	CEO	CEO	CEO	CEO	N/A
BOD is political Background	NO	NO	NO	NO	NO
Paying salaries for the management team	Partly by FPC and partly by RI/Project	FPC from its profit	Partly by FPC and partly by RI/Project	Partly by FPC and partly by RI/Project	Partly by FPC and partly by RI/Project
Educational Qualification of the CEO	Graduation	Below graduation	Below graduation	Graduation	
Work Experience of the CEO	2-5 years in agribusiness and allied field	5-10 years in agribusiness and allied field	2-5 years in agribusiness and allied field	More than 10 years in agribusiness and allied field	

Governance and Human resource section of Farmer Producer Organisations were depicted in Table 2. In all the selected FPOs had 10 to 11 board of directors in their structure, while Sarasa Maa, Thakorji and Parishram Farmers Producers Co-Operative Society Limited had 1 to 2 women in a board of directors list. Moreover, Parishram Farmers Producers Co-Operative Society Limited conduct quarterly meeting of BOD, where other remaining FPOs were conduct monthly meeting. In the BOD selection process all the selected FPOs nominate lead farmer or active or progressive farmers as a BOD, which was approved by the AGM of the FPOs. Out of 5 FPOs, 4 FPOs various facilities were provided to local stake holder by NABARD- Producers Organisation Development Fund except the Netrang Pulse Crop Producer Company Limited, which was facilitated by the SFAC- Credit Guarantee Fund. Netrang Pulse Crop Producer Company Limited doesn't have CEO, while other 4 remaining FPOs have CEO. All the BOD of above mentioned FPOs didn't had any contact with political party as well as political support. The salaries which paid to the management of all the FPOs by both FPC and RI or project of NABARAD. Thakorji and Parishram Farmers Producers Co-Operative Society Limited CEO had no graduation, where Sarasa Maa Farmers Producers Co-Operative Society Limited and Sahayog Krushi Producer Company Limited CEO had completed their graduation.

Sahayog Krushi Producer Company Limited CEO had more than 10 year experience in the field of agribusiness and allied sectors, while remaining FPOs CEO had 2-5 years and 5-10 years' experience in agribusiness and allied flied. In Table: 3 describe the different operational activity and facility of FPOs. Parishram Farmers Producers Co-Operative Society Limited and Sahayog Krushi Producer Company Limited have an input selling shop other FPOs had no any such facility. Parishram Farmers Producers Co-Operative Society Limited had no any collection center. In case of Thakorji Farmers Producers Co-Operative Society Limited have collection center with in 3 km for majority farmer and this distance is lowest as compare to others and Sarasa Maa Farmers Producers Co-Operative Society Limited have collection center available but within 15 km for majority of farmers this distance is highest as compare to other sample. All FPOs procure produce directly from the farm except Parishram Farmers Producers Co-Operative Society Limited. Parishram Farmers Producers Co-Operative Society Limited and Netrang Pulse Crop Producer Company Limited have no any facility for value addition, othe FPOs had facility for value addition. Thakorji Farmers Producers Co-Operative Society Limited and Sahayog Krushi Producer Company Limited had packaging facility and they sell with there brand name to increase the turnover profit of the FPOs.

Table 3: Different operations of FPOs

Name of FPO	Sarasa Maa Farmers Producers Co-Operative Society Limited	Thakorji Farmers Producers Co-Operative Society Limited	Parishram Farmers Producers Co-Operative Society Limited	Sahayog Krushi Producer Company Limited	Netrang Pulse Crop Producer Company Limited
Input shop	No	No	Yes	Yes	No
Output collection centres availability - Distance	Available within 15KM for majority of farmers	Available within 3KM for majority of farmers	N/A	Available within 10 KM for majority of farmers	Available within 10 KM for majority of farmers
There is facility to procure produce directly from farm?	Yes	Yes	N/A	Yes	Yes
FPC invested on equipment for the Value Addition	Yes	Yes	N/A	Yes	N/A
Branding of produce	No	Yes	No	Yes	No
Packaging facility availability	No	Yes	No	Yes	No

Conclusion

Farming is becoming the most difficult job in India and most of the farmers are leaving under stressful conditions. Government is seeking to address the problems and solution through number of schemes and innovative ideas. The formation of FPO's is one of the best initiatives taken by the government to address the farmers problems and bringing all the farmers in a collective forum. The present study found the basic details of farmers who are having membership in FPO's, governance and human resource section of FPO's and different operations which are following by the FPO's. These FPO's are helping the farmers to increase their production as well as income. Members reaped significant benefits from the FPO in terms of increased price realization and access to specialist markets. Other advantages of joining the FPO include the provision of top quality inputs on a timely basis. For

sustainability of FPOs number of member and capital play crucial role. FPO's will play role to increase economy of our country in upcoming years and help to strengthening the agriculture sector.

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