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### Success stories and challenges of horticulture-based farmer producer organisations (FPOs) in Telangana state

<sup>1</sup>Marepally Udaya Sindhu and <sup>2</sup>Gadde Sai Siva Rama Krishna

<sup>1</sup>ICAR-SMS, Department of Agricultural Extension, KVK, Lakshadweep, India

<sup>2</sup>M.Sc. Agri, Department of Agricultural Marketing and Co-operation, University of Agricultural Science, Bangalore, Karnataka, India

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Corresponding Author: Marepally Udaya Sindhu

#### Abstract

Farmer Producer Organisations (FPOs) have emerged as key institutional mechanisms to empower smallholder farmers in India. In Telangana state, FPOs dealing with horticultural crops have gained momentum, especially in output marketing of fruits and vegetables. The present study was undertaken to document the success stories and identify the problems faced by horticulture-based FPOs in Telangana. A multistage purposive sampling technique was used to select 14 FPOs, categorized into good performing and non-performing groups based on turnover. Success stories were collected from well-functioning FPOs, while challenges were identified using the Garrett ranking technique. The findings revealed that factors such as leadership quality, timely access to inputs, effective post-harvest management, branding, and market linkages contributed significantly to FPO success. Major constraints included insufficient working capital, poor infrastructure, inadequate government support, and lack of awareness among members. The study suggests strengthening financial support, capacity building, and policy-level interventions to enhance the functioning of horticultural FPOs in the region.

**Keywords:** FPO, horticulture, Telangana, success stories, constraints, Garrett ranking, post-harvest management

#### Introduction

The Indian agricultural sector, though showing robust production growth, is challenged by issues such as declining landholdings, post-harvest losses, and weak market linkages. Horticultural crops, being highly perishable, demand strong collective action mechanisms to ensure better price realization. Farmer Producer Organisations (FPOs) are community-based institutions that enable collective marketing, input procurement, and capacity building<sup>[1]</sup>. In Telangana, several horticulture-based FPOs have emerged, supported by NABARD, SFAC, and NGOs. However, their success is varied. Understanding what differentiates successful FPOs from others, and identifying the constraints they face, can guide policy and practice for their sustainability.

#### Materials and Methods

##### Study Area and Sampling

The study was conducted in Telangana state during 2020-21. A total of 14 horticulture-based FPOs engaged in output marketing were selected — 7 categorized as good performing FPOs (GPFPOs) and 7 as non-performing FPOs (NPFPOs), based on business turnover.

##### Data Collection

Primary data were collected using pre-tested schedules through personal interviews with FPO officials and members. Success stories were documented from CEO

interviews. Constraints were ranked using Garrett's ranking method<sup>[2]</sup>.

##### Garrett Ranking Technique

Respondents ranked the challenges they faced. Ranks were converted to scores using Garrett's conversion table. The mean scores for each constraint were calculated and ranked accordingly.

##### Results and Discussion

##### Success Story Highlight: F3 Farmers Producer Company Ltd.

Located in Nalgonda district, F3 FPO has emerged as a model of success. With over 500 members, it actively engages in mango and tomato marketing. Success factors included:

- **Efficient post-harvest practices:** After harvesting crops like mangoes and tomatoes, they made sure to properly clean, sort, package, and transport them. This improved the quality and shelf-life of the produce.
- **Branding and export channels:** They created their own brand and found ways to sell their products in export markets, which helped them get better prices.
- **Custom hiring services for farm machinery:** They offered services where farmers could rent machinery rather than buying expensive equipment, making farming easier and cheaper for members.
- **Direct-to-consumer sales using digital platforms<sup>[3]</sup>:**

They used technology and online platforms to sell directly to consumers, avoiding middlemen and earning better profits.

- **Strong leadership and financial transparency:** The FPO had leaders who were honest, clear about finances, and capable of managing the group well, which built trust among the members.

These efforts resulted in an average turnover exceeding ₹44 lakhs, with significantly higher member satisfaction and income levels.

### Constraints Faced by FPOs

The major problems identified by FPOs (using Garrett ranking) were:

Rank	Constraint	Mean Score
1	Inadequate working capital	78.50
2	Lack of storage and processing units	74.85
3	Insufficient government support post-registration	71.20
4	Limited access to institutional credit	69.45
5	Poor participation of members	67.10
6	Lack of market intelligence	65.80
7	Limited technical knowledge	62.25
8	Difficulty in obtaining licenses	60.90
9	Absence of trained leadership	58.15
10	Transportation issues	56.75

In the study, the main problems faced by horticulture-based Farmer Producer Organisations (FPOs) in Telangana were ranked using the Garrett ranking method. The most serious constraint identified was inadequate working capital, followed by the lack of storage and processing units, and insufficient government support after registration. Other significant challenges included limited access to institutional credit, poor participation of members, and a lack of market intelligence. Additionally, FPOs struggled with limited technical knowledge, difficulty in obtaining necessary licenses, absence of trained leadership, and transportation issues <sup>[4]</sup>. Overall, the findings highlight that financial constraints, infrastructure gaps, weak organizational structures, and insufficient institutional support are the key barriers hindering the effective functioning of horticultural FPOs in the region.

The problems were more severe in NPFPOs, indicating the need for targeted capacity building and handholding support.

### Conclusion

The study highlights that horticultural FPOs in Telangana have shown the potential to transform smallholder livelihoods when supported with adequate infrastructure, leadership, and market linkages <sup>[5]</sup>. Successful FPOs have utilized branding, direct marketing, and technology integration. However, widespread challenges like poor infrastructure and lack of capital hinder progress. Strengthening institutional support, policy alignment, and focused extension efforts are crucial for improving FPO performance and achieving inclusive agricultural growth.

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