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# Farmer producer organisation: An approach for doubling farmer's income in Gorakhpur district of Uttar Pradesh

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#### Abstract

Farmer Producer Organizations are business that empower farmers by giving them direct access to digital marketing, online payment systems, business-to-business transactions and business-to consumer transactions. FPOs are especially helpful to small, marginal and landless farmers by enhancing their market linkages and economic strength. The investigation was done in Uruwa block of Gorakhpur district. Two FPOs were selected from block which involved a total number of 120 respondents. This study presents the socio-economic profile and perceptions of respondents towards farmer-producer organizations (FPOs). The majority of respondents are male (87.50%), (60.00%) belongs to middle-age group (33 to 56 years), and (30.83%) of respondents were intermediate. Most belong to the Hindu religion (93.33%) and the OBC category (50.83%). They predominantly live in joint families (71.66%) with 5-12 members (67.50%) and rely on hired irrigation sources (61.60%). Agriculture is the main occupation for (51.67%), followed by a subsidiary occupation for (35.00%). The annual family income for most is between 1.1 and 2 lakhs (58.33%), with semi-cemented housing being common (57.50%). Medium-sized land holdings (4.01-10.00 hec.) are held by (43.33%) of respondents, who generally exhibit low social participation (71.66%). Information is often sourced from neighbours and progressive farmers (60.00% and 69.16%, respectively). Extension participation (64.16%), risk orientation (53.33%), and scientific orientation (65.83%) are mostly at medium levels.

Keywords: Farmer producer organization, perception, socio-economic

### Introduction

A farmer producer organization (FPO) is a legal entity that can be a producer company, a cooperative society, or any other legal firm that provides the sharing of profits and benefits among the members. FPOs are generally formed by primary producers, viz., farmers, milk producers, fishermen, weavers, rural artisans, craftsmen, etc. In India, land holding doesn't support economies of scale as most of the farmers are small and marginal, with an average land holding of hectares per farmer household. Due to this fragmentation and disorganization, small and marginal farmers are in a disadvantageous position not only in the use of technology and input but also in their accessibility to the market. The farmer's collectivization was considered one of the important elements to solve their problem, and on this basis, the FPOs were formed in 2002 by amendment to the Companies Act, 1956. The FPOs are promoted in India by SFAC. NABARD, state governments, organizations. Under the 12-year plan, promotion and strengthening of FPOs have been one of the key strategies to achieve inclusive agricultural growth. With this background, an effort has been made to study and report the socioeconomic status of the farmer members of FPOs. (Singh et al. 2019) [4].

Effective management of price fluctuations can be achieved through practices like contract farming and agreements.

Additionally, a producer company within the FPO structure aids producers in brand building, packaging, labelling, standardization, quality control, and providing essential storage facilities. The company also offers relevant training and services as deemed necessary. (Behera *et al.* 2024) <sup>[1]</sup>. Nearly 7,600 Farmer Producer Organizations (FPOs) were

Nearly 7,600 Farmer Producer Organizations (FPOs) were registered in India till November 30 this year, almost 75 percent of the government's target to form and promote 10,000 such organizations across the country by 2024. In 2020, the Government of India launched a scheme to form and promote 10,000 new FPOs by 2024 with a budgetary provision of Rs 6,865 crore. The scheme was aimed at enabling farmers to enhance their bargaining power, leverage economies of scale, reduce the cost of production, and increase farmers' incomes through the aggregation of their agricultural produce. In a reply to a question during the winter session of Parliament, it was stated that as of November 30, 2023, about 7,597 FPOs have been registered in India under the scheme. (Mukherjee *et al.* 2023) <sup>[2]</sup>.

In Uttar Pradesh, around 1,150 FPOs have been registered, followed by Madhya Pradesh (566), Maharashtra (521), Punjab (475), and Bihar (474). And in Gorakhpur district, around 52 FPOs have been registered till now.

#### Research Methodology

Gorakhpur district is located in Uttar Pradesh. The district

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Gorakhpur is divided into nineteen blocks, one of which was choose at random for the study. The present study was conducted in ten selected villages under Uruwa block. Descriptive research design was followed for the present study. A total 120 respondents were selected by proportionate random sampling for the present study. The

data collected from the respondents were scored, tabulated and analyzed by using suitable statistical method.

# **Objectives of the study**

- 1. To access the socio-economic status of the respondents.
- 2. To find out the farmer's perception towards FPOs.

Table 1: Socio economic Profile and selected Independent Variable of the respondents in the study N=120

S. No.	Independent variables	Category	Frequency	Percentage
1	Gender	Male	105	87.50
1	Gender	Female	15	12.50
2		Young (Up to 32 years)	25	20.84
	Age	Middle (33 to 56 years)	72	60.00
		Old (Above 57 years)	23	19.16
	Educational Qualification	Illiterate	9	7.50
		Primary	10	8.34
		Junior School	17	14.17
3		High School	30	25.00
		Intermediate	37	30.83
		Graduate	13	10.83
		Postgraduate	4	3.33
	Religion	Hindu	112	93.33
		Muslim	8	6.67
4		Christian		0.07
		Others	_	_
	Caste	General	45	37.50
		OBC	61	50.83
5		SC	11	9.17
		ST	3	2.50
		Nuclear	34	28.34
6	Family Type	Joint	86	71.66
	Family Size	Small (Up to 4 members)	20	16.66
7		Medium (5-12 members)	81	67.50
,		Large (Above 13 members)	19	15.84
	Source of Irrigation	Owned	46	38.40
8		Hired	74	61.60
0		Natural	/4	01.00
	Annual Income	Low (up to 1 lakh)	34	28.33
9		Medium (1.01 to 2 lakh)	70	58.33
9		High (above 2.01 lakh)	16	
		Hut (Kuccha)	10	13.34 8.34
10	Housing Pattern	Semi-cemented	69	
10			41	57.50
		Cemented  Marginal farmer (up to 1 hec.)	10	34.16 8.33
11	Land Holding	Small farmer (1.01-2.00 hec.)	18	
		Semi Medium Farmers (2.01-4.00 hec.)		15.00
			24	20.00
		Medium farmer (4.01-10.00 hec.)	52	43.33
		Large farmer (10.01 hec. and above)	16 86	13.34 71.66
12	Social participation	No participation		
12		Participation of one organization	26	21.67
	Extension Participation	Participation of two organization	8	6.67
12		Low (7 or below)	17	14.16
13		Medium (8 to 11)	77	64.16
		High (12 and above)	26	21.68
1.4	Risk orientation	Low (up to 21)	15	12.50
14		Medium (22 to 25)	64	53.33
		High (26 and above)	41	34.17
15	Scientific orientation	Low (up to 22)	7	5.84
		Medium (23 to 26)	79	65.83
		High (27 and above)	34	28.33

From the above table it represents that the majority of respondents are male (87.50%), (60.00%) belongs to middle-age group (33 to 56 years), and (30.83%) of respondents were intermediate. Most belong to the Hindu

religion (93.33%) and the OBC category (50.83%). They predominantly live in joint families (71.66%) with 5-12 members (67.50%) and rely on hired irrigation sources (61.60%). The annual family income for most is between

1.1 and 2 lakhs (58.33%), with semi-cemented housing being common (57.50%). Medium-sized land holdings (4.01-10.00 hec.) are held by (43.33%) of respondents, who generally exhibit low social participation (71.66%). Extension participation (64.16%), risk orientation (53.33%), and scientific orientation (65.83%) are mostly at medium levels.

# Perception

Social perception refers to identifying social cues and making accurate inferences about social roles, rules, context and relationships. The finding presented in the following table reveals that majority (45.83%) of respondents have medium level of perception towards FPOs, followed by

(38.33%) of respondents have high level of perception and (15.84%) respondents have low level of perception towards FPOs. (Sangappa *et al.* 2023)<sup>[3]</sup>.

**Table 2:** Distribution of respondents according to their level of Perception.

S. No.	Cotogowy	Respondent (n=120)			
S. NO.	Category	Frequency	Percentage		
1.	Low (Up to 4)	19	15.84		
2.	Medium (5-7)	55	45.83		
3.	High (8 and above)	46	38.33		
	Total	120	100.00		
Minimum-2, Maximum-10, Mean-6.75, S.D1.99					

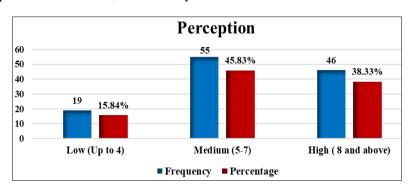


Fig 1: Distribution of respondents according to their level of Perception.

**Table 3:** Relationship of socio-economic status of the profile with level of perception

S. No.	Independent Variables	Correlation coefficient between variables and perception level
1.	Gender	0.1996*
2.	Age	-0.2156 <sup>NS</sup>
3.	Educational Qualification	0.5212**
4.	Religion	$-0.0504^{NS}$
5.	Caste Category	$0.0703^{NS}$
6.	Family Type	$0.0326^{NS}$
7.	Family Size	-0.0213 <sup>NS</sup>
8.	Source of Irrigation	-0.0043 <sup>NS</sup>
9.	Annual Family Income	$0.1703^{NS}$
10.	Housing Pattern	0.2643**
11.	Size of land holding	-0.0886 <sup>NS</sup>
12.	Social Participation	-0.0663 <sup>NS</sup>
13.	Extension Participation	0.1247 <sup>NS</sup>
14.	Risk Orientation	$0.1064^{NS}$
15.	Scientific Orientation	0.1497 <sup>NS</sup>

<sup>\*</sup>Significant at 0.05 Probability level =0.195, NS= non-significant

From the above Table it indicates that the like educational qualification, housing pattern, mass media exposure was found at the 1 percent level of significance, positive relationship with level of perception of the respondents, whereas the relationship with the gender were found at the 5 percent level of significance with the level of perception of the respondents. Rest of the independent variables like age, religion, caste category, family type, family size, source of irrigation, occupation, annual income, land holding, social participation, extension participation, risk orientation, scientific orientation was found non significance with respect to level of perception of the respondents.

# Conclusion

From the present research it is concluded that majority of

respondents are male, belongs to middle-age group, and most of respondents were intermediate educational qualification. Most of respondents belong to the Hindu religion and the OBC category. They predominantly live in joint families with 5-12 members and rely on hired irrigation sources. The annual family income for most is between 1.1 and 2 lakhs, with semi-cemented housing being common. Medium-sized land holdings (4.01-10.00 hec.) are held by of respondents, who generally exhibit low social participation. Extension participation, risk orientation, and scientific orientation are mostly at medium levels.

### **Conflicts of Interest**

The authors have no conflicts of interest.

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<sup>\*\*</sup> Significant at 0.01 Probability level =0.254

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