

International Journal of Agriculture Extension and Social Development

Volume 7; Issue 1; Jan 2024; Page No. 207-209

Received: 11-10-2023
Accepted: 24-11-2023

Indexed Journal
Peer Reviewed Journal

Sustainability efforts of the farmer producer organizations

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DOI: <https://doi.org/10.33545/26180723.2024.v7.i1c.213>

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Abstract

Agriculture continues to play a pivotal role in the Indian economy, carrying the crucial responsibility of meeting the substantial food and nutritional requirements of the country's expansive population. However, this vital sector is confronted with an escalating array of challenges. The relentless rise in population has intensified the demand for food, while simultaneously, the available cultivable land has been diminishing. This juxtaposition raises pressing concerns regarding both food and income security. In the face of these challenges, the imperative of establishing Farmer Producer Organizations (FPOs) becomes evident, presenting a necessary solution within the Indian context to effectively tackle the issues. Thus, FPOs must make effort to sustain. Sustainability effort means those effort made to sustain an organization. FPO made effort like, getting remunerative prices of produce of the member of FPO, utilization of fund in proper way, establishment of various processing unit *etc.* to remain sustain. Considering these facts, Sustainability efforts of the Farmer Producer Organizations were studied. Henry Garrett's ranking method was used to study the sustainability efforts of the FPO. As per this method, respondents were asked to assign the rank for all the ten efforts listed in the questionnaire and the outcomes of such ranking were converted into score value with the help of the per cent position formula of Garret's ranking method. Result shows that willingness to participation received mean score of 68.17, which means it was the most considerable effort perceived by the FPO members for sustainability of the FPO.

Keywords: FPO, sustainability efforts, farmer producer

1. Introduction

In India, a predominant portion of farmers manages small and marginal land holdings. Throughout history, collaborative endeavors among farmers have proven to be more advantageous than individual efforts, and this principle holds particular significance in light of the ongoing trend of diminishing land sizes in agriculture. Given its pivotal role in the Indian economy, agriculture is crucial for meeting the country's vast food and nutritional needs, sustaining the livelihoods of over half the population, and managing natural resources. However, the agricultural sector grapples with numerous challenges, most notably a 3.71-fold increase in the population from 350 million in 1947 to 1.3 billion in 2017.

This population surge intensifies the demand for food, while the available cultivable land continues to dwindle. The per-person grain area has steadily declined from 0.22 hectares in 1950 to 0.10 hectares in 2010, with projections indicating a further reduction to 0.06 hectares per person by 2050 (Larsen, 2003) ^[1]. Consequently, there is a growing concern regarding food and income security. In response to these challenges, the establishment of Farmer Producer Organizations (FPOs) is imperative in the Indian context. FPOs bring together farmers focused on a specific commodity, enhancing their market bargaining power and facilitating local seed production. Moreover, FPOs serve as

crucial conduits for the delivery of government agricultural inputs. Initiatives such as the District Poverty Initiative Project in Madhya Pradesh, partly supported by the World Bank, have significantly catalyzed the formation of producer companies.

Recognizing the importance of FPOs, the Government of India, the National Bank for Agriculture and Rural Development (NABARD), the Ministry of Rural Development, the Ministry of Agriculture, the Small Farmer Agribusiness Consortium (SFAC), and state governments have made substantial investments in these organizations in recent decades. This strategic support aims to empower farmers, mitigate challenges, and strengthen the agricultural sector's resilience in the face of evolving dynamics. Farmer Producer Organization is primarily seen as an institution that aims to ensure better income for the producers through an organization of their own. The principle behind Farmer Producer Organization aggregation of primary producers to avail the benefit of economies of scale. In the contemporary landscape of agriculture and rural development, the establishment and success of Farmer Producer Organizations (FPOs) play a pivotal role in ensuring the economic well-being of farmers and the sustainable growth of agricultural communities. FPOs are collective entities formed by farmers to enhance their bargaining power, access resources efficiently, and promote sustainable

agricultural practices. To ensure the effective functioning of FPOs, integrating sustainability efforts becomes imperative. Sustainability in this context refers to the ability of FPOs to operate in a manner that meets the current needs of its members without compromising the ability of future generations to meet their own needs. Sustainability efforts encompass a wide range of practices, including environmental, social, and economic dimensions. In the case of FPOs, adopting sustainable practices is not just a moral obligation but a strategic imperative. It not only ensures the long-term viability of farming practices but also contributes to the overall resilience and adaptability of agricultural communities in the face of evolving challenges such as climate change, market volatility, and resource scarcity. Sustainability effort means those effort made to sustain an organization. FPO made effort like, getting remunerative prices of produce of the member of FPO, utilization of fund in proper way, establishment of various processing unit *etc.* to remain sustain. Considering these facts, Sustainability efforts of the Farmer Producer Organizations were studied.

Objectives

1. Sustainability efforts of the Farmer Producer Organizations

Methodology

Present study was conducted in six districts Sabarkantha, Patan, Mehasana, Banaskantha, Kutch and Aravalli. Multi-stage random sampling technique was used to select a representative sample of FPO members for the study. For the study, list of the FPOs functioning since last three years was obtained from ATMA directorate of respective selected district. Thereafter, one FPO from each selected district was

selected randomly. From each selected FPO, 40 farmer members were selected to make a random sample of 240 FPO members. An ex-post-facto research design was applied. Henry Garrett’s ranking method was used to study the sustainability efforts of the FPO. As per this method, respondents were asked to assign the rank for all the ten efforts listed in the questionnaire and the outcomes of such ranking were converted into score value with the help of the following per cent position formula of Garret’s ranking method:

$$\text{Percent position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where,

- R_{ij} = Rank given to the ith attribute by the jth respondent
- N_j = Number of attributes ranked by the jth respondent

Results and Discussion

Sustainability efforts of the Farmer Producer Organizations

To assess the sustainability efforts of the FPOs, ten parameters were considered and analysed using Garrett’s ranking method. The ten parameters considered were; willingness to participate, engagement of research institutes after establishment, remunerative prices of produce, input procurement, marketing tie-ups, utilization of funds provided by SFAC, utilization of funds collected by members, time period between sale of output and price realization, establishment of processing units and support from State government. The result based on the farmers’ perception against each parameter is depicted in Table 1.

Table 1: Sustainability efforts of the FPOs (n=240)

Sr. No.	Sustainability efforts	Mean score	Rank
1.	Willingness to participation	68.17	I
2.	Engagement with Research Institutes after establishment	55.23	II
3.	Remunerative prices of produce	54.25	IV
4.	Input procurement	30.24	X
5.	Marketing Tie-ups	46.88	VII
6.	Utilization of funds provided by SFAC	46.60	VIII
7.	Utilization of funds collected by members	49.74	V
8.	Time lag between sale of output and price realization	35.06	IX
9.	Establishment of processing units	54.58	III
10.	Support from state government	48.74	VI

As per the data depicted in the Table, result shows that willingness to participation received mean score of 68.17, which means it was the most considerable effort perceived by the FPO members for sustainability of the FPO. The other sustainability efforts of the FPOs perceived important by the members were; engagement with Research Institutes after establishment (mean score 55.23), establishment of processing units (mean score 54.58), remunerative prices of the produces (mean score 54.25), utilization of funds collected by the members (mean score 49.74), support from state government (mean score 48.74), marketing tie-ups (mean score 46.88) and utilization of funds provided by SFAC (mean score 46.60). The least important efforts perceived by the members for the sustainability of the FPO were; time lag between sale of output and price realization

(mean score 35.06) and input procurement (mean score 30.24).

Majority efforts of the FPO were related to participation and engagement with other institutes and organizations. FPOs had willingness to participate in various activity, scheme and programme run by Government and other research institute, which helped the FPOs to remain sustainable and updated with latest technologies and information from the government and the research institute. FPOs also made efforts to establish the processing unit for adding values the producers of the member and fetching higher prices.

Conclusion

In conclusion, various sustainability efforts reveal valuable insights into the priorities for ensuring the sustainability of

Farmer Producer Organizations (FPOs). The willingness to participate emerges as the most significant effort, underscoring its central role in fostering sustainable practices within the FPO. Other notable sustainability efforts include engagement with Research Institutes post-establishment, the establishment of processing units, ensuring remunerative prices for produce, effective utilization of member-contributed funds, and garnering support from the state government. These efforts collectively contribute to the overall resilience and longevity of the FPO. Understanding these perceived priorities can guide strategic interventions and policy decisions aimed at strengthening FPOs and promoting sustainable agricultural practices.

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