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Challenges in the FPOS and support require for effective functioning of FPOs

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Abstract

Agriculture has been remaining an important sector of Indian economy, which bears the responsibility to meet the food and nutrition needs of the country's large population. Agriculture sector is facing a rapidly overflowing basket of challenges. Population has increased day by day hence, demand for food has also increased while total cultivable land has shrunk. So, the big and alarming question on food and income security has been raised. The Farmer Producer Organization (FPO) is a necessity in Indian scenario if one has to effectively address the issues mentioned above. Challenge refers to a difficulty that carries within it an opportunity for progress. Ones we overcome the challenge we go up to a higher level than before. It also defines as something new and difficult that forces you to make a lot of effort. Challenges hinder in any innovation or technology and give the consequences in their socio-techno-economic condition. Challenges in any activity or enterprise cannot be removed but minimized. Farmer Producer Organizations are confronting many challenges in dealing for betterment of their members. Support means assistance to an organization in terms of finance, transportation, infrastructure etc. for the effective functioning of organization. Considering these facts, challenges in the FPOs and support require for effective functioning of FPOs were studied. The members of the FPO were asked to express the challenges and support required for effective functioning of the FPO. Frequency and percentage of each challenge and support were the computed and ranked accordingly. Major challenges faced by the members of the Farmer Producer Organization were business domain of the FPO is not specific (80.83%), inadequate market linkages (72.08%) and lack of or inadequate professional staff for management of the FPO (64.58%). Whereas, incubation and hand holding support (85.83%) emerged as the most important support needed by the members for effective functioning of the FPOs and rank first.

Keywords: FPOS, Indian economy, socio-techno-economic condition

1. Introduction

In India, the majority of farmers possess small and marginal land holdings. Collaborative efforts among farmers have been proven to yield more benefits than individual endeavors, a principle recognized since ancient times. This cooperative approach is particularly crucial in the face of declining land sizes, a concerning trend in agriculture. As a pivotal sector of the Indian economy, agriculture plays a crucial role in meeting the country's food and nutrition requirements for its large population. Additionally, agriculture interfaces with natural resources and sustains the livelihoods of over half the nation's population. The agricultural sector confronts an array of challenges, including a 3.71-fold increase in the population from 350 million in 1947 to 1.3 billion in 2017. This population growth has elevated the demand for food, even as the available cultivable land has diminished. The per-person grain area has steadily decreased from 0.22 hectares in 1950 to 0.10 hectares in 2010, and projections indicate a further reduction to 0.06 hectares per person by 2050 (Larsen, 2003) [2]. Consequently, a pressing concern has arisen regarding food and income security. Addressing these

challenges necessitates the establishment of Farmer Producer Organizations (FPOs) in the Indian context. FPOs bring together farmers focused on a single commodity, enhancing their bargaining power in markets and facilitating local seed production. Furthermore, FPOs serve as crucial conduits for government agricultural input delivery. The formation of producer companies received a significant impetus from initiatives like the District Poverty Initiative Project in Madhya Pradesh, which, in part, was supported by the World Bank.

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. Challenge refers to a difficulty that carries within it an opportunity for progress. Ones we overcome the challenge we go up to a higher level than before. It also defines as something new and difficult that forces you to make a lot of effort. Challenges hinder in any innovation or technology and give the consequences in their socio-techno-economic condition. Challenges in any activity or enterprise cannot be removed but minimized. Farmer Producer Organizations are confronting many challenges in dealing for betterment of their members. Support means assistance to an organization in terms of finance, transportation, infrastructure *etc.* for the effective functioning of organization. Considering these facts, challenges in the FPOs and support require for effective functioning of FPOs were studied.

2. Objectives

Challenges in the FPOs and support require for effective functioning of FPOs.

3. 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. Challenges experienced by the Farmer Producer Organizations were studied. The members of the FPO were asked to express the challenges faced in proper functioning of the FPO. Respondents were also asked to mention support requires for effective functioning of FPOs. Frequency and percentage of each challenge and support were the computed and ranked accordingly.

4. Results and Discussion

4.1 Challenges in the FPOs

The challenges faced by the members of the Farmer Producer Organization in descending order of the importance were; business domain of the FPO is not specific (80.83%), inadequate market linkages (72.08%), lack of or inadequate professional staff for management of the FPO (64.58%), weak financials (63.33%), inadequate storage facilities (60.42%), inadequate access to credit (49.58%) and lack of technical awareness (45.83%) which ranked first to seven, respectively.

Table 1: Challenges in the Farmer Producer Organizations (N=240)

Sr. No.	Challenges of the FPO	Frequency	Percentage	Rank
1.	Lack of or inadequate professional staff for management of the FPO	155	64.58	III
2.	Lack of technical awareness	110	45.83	VII
3.	Weak financials	152	63.33	IV
4.	Inadequate access to credit	119	49.58	VI
5.	Inadequate market linkages	173	72.08	II
6.	Inadequate storage facilities	145	60.42	V
7.	Business domain of the FPO is not specific	194	80.83	I

Addressing these justifications involves targeted interventions, such as capacity-building programs for farmers, training in business management, financial literacy, and strategic partnerships with organizations that can provide technical and financial support. Implementing sustainable solutions will contribute to the long-term success and resilience of Farmer Producer

Organizations.

4.2 Support require for effective functioning of the FPOs

The support required for effective functioning of the farmer producer organization has been calculated based on frequency and percent of each statement, results were reported in Table 2.

Table 2: Support required for effective functioning of the FPOs (n=240)

Sr. No.	Support	Frequency	Percentage	Rank
1.	Incubation and hand holding support	206	85.83	I
2.	Professional training to the staff	198	82.50	II
3.	Requirements for storage and transport facility	185	77.08	III
4.	Easy access to fund and other support services	180	75.00	IV
5.	Technical assistance for business planning	174	72.50	V
6.	Fund for research/extension support	160	66.67	VI
7.	Support for promotion of FPO	143	59.58	VII

Table 2 indicates that incubation and hand holding support (85.83%) emerged as the most important support needed by the members for effective functioning of the FPOs and rank first. While, professional training to the staff was reported by 82.50 percent of the FPO members with second rank followed by requirements for storage and transport facility (77.08%) as third, easy access to fund and other support

services (75.00%) as fourth, technical assistance for business planning (72.50%) as fifth, fund for research /extension support (66.67%) as sixth rank and support for promotion of FPO (59.58%) as seventh rank.

5. Conclusion

It is concluded that non-specific business domain,

inadequate market linkages, lack of or inadequate professional staff, weak financials and inadequate storage facilities were the crucial challenges of the FPOs reported by their members. Whereas, incubation and hand holding support and professional training to the staff emerged as the most important support needed by the members for effective functioning of the Farmer Producer Organizations.

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