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To find out the operational constraints faced by the beneficiary & non-beneficiary of FPOs

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Abstract

The project titled “Impact of Formation of Farmer Producer Organisation for Enhancing Income Level of Farmer in Rewa District, Madhya Pradesh” was carried out under the guidance of Prof. (Dr.) Ramchandra Rewa district was purposively selected. A multi-stage random sampling procedure was adopted to select the respondents. Out of 9 blocks of Rewa district, Sirmour block was selected purposively based on the number of respondents as a member of the Farmer Producer Organisation (FPO). Barha Mudawar village was selected randomly. The number of farmers interviewed was 100. The numbers of farmers from selected villages were selected randomly. A structured schedule was used to collect the data through the survey method. When the conclusion was drawn it was found that the cost of cultivation in Wheat of member farmers was less than that of non-member farmers of FPO. Net return was more of member farmers. This difference was due to FPO providing timely, chiefly, and quality input for member farmers as well as technical services and providing improved technology and modern infrastructure. The study pertains to the agricultural year 2022-2024.

Keywords: Beneficiary, non-beneficiary, problem, operations

Introduction

Agriculture plays an important role in the growth of developing countries like India where agriculture contributes around 19.9% Gross Domestic Product in the year 2017. Also, according to the 2011 census of India, 54.6% of people are directly or indirectly working in the agriculture sector. The small and marginal land holdings if taken together contributed around 89.4 % of total land holdings in 2015-16. Small and marginal land holding means the farmers who have land holding up to 2 ha. So, because of this issue of small land holding of farmers, the bargaining power of those farmers is very low while selling their crops and also while purchasing inputs for the cultivation of crops. To solve this issue and to minimize the gap between farmers and consumer, Government of India has launched the Central Sector Scheme for “Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)” in the year 2020-2021 with a total budget of government Rs.6862 Crore will enable farmers to improve their bargaining power, lift the economies of scale, reduction in cost of production and enhancing farmers’ incomes through aggregation of their agricultural produce, thus playing a major role towards sustainable incomes.

Objective

To find out the operational constraints faced by the beneficiary & non –beneficiary of FPOs.

Materials and Methods

This study used multistage sampling to select the District, Blocks, Villages, and Participants. A total of 100 Farmers were selected from 10 villages of the Sirmaur block of Rewa district through a random sampling technique. Cultivators are divided into Three Groups I category 1-2 hectares land owner, II category 2-4 hectares land owner, III category 10 hectares land owner

Analytical Tools

Garrett's ranking technique

Constraints perceived and the measures for improvement suggested by the producers in production and marketing of FPO were prioritized by using Garrets Ranking technique by using the following

Formula

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

Where

- R_{ij} = The Rank given to ‘i’ th item by ‘j’th individual
- N_j = The numbers of items ranked by the j’th individual

Results and Discussion

Table 1: The FPO directors and members were enquired to

elicit the problems faced by them during the functioning of FPOs

Table 1: Problem faced by the FPO

S. No.	Constraints	Frequency	Percentage	Rank
1.	Big fluctuation in market prices	19	19	I
2.	Shortage of transport facilities	18	18	II
3.	High cost of labour	14	14	III
4.	Inadequate storage facility	13	13	IV
5.	Lack of capital to provide sufficient Services	10	10	V
6.	Divergent views of member in village Meetings	8	8	VI
7.	Awareness among the people	7	7	VII
8.	Political affiliation of some members	6	6	VIII
9.	Moving of farmers from FPOs when there is loss.	5	5	IX

The data presented in the table shows that Big fluctuation in market price (19 percent, Ranked I) were the prime constraints followed by shortage of transport facilities (18 percent, Ranked II), High cost of labour (14 percent, Ranked III), Inadequate storage facilities (13 percent, Ranked IV), lack of capital to provide sufficient services (10 percent, Ranked V), Divergent views of farmers (8 percent, Ranked VI), Awareness among the people (7 percent, Ranked VII), Political affiliation of some members (6 percent, Ranked VIII), Moving of farmers from FPOs when there is loss (5 percent, Ranked IX). Big fluctuations in market price are due to the seasonality problem, during off season, the market price reduces heavily and member farmers move away from the FPOs due to these price fluctuations. The organisation could not provide

transportation facilities to all its members. Agriculture labour has been declining in recent years and moving out to the others sectors which leads to shortage of labour in farms and their wages are increasing day by day due to huge demands. Due to lack of capital FPO could not provide services like storage facilities, input facilities etc. Awareness among the people is very less regarding the services provided by the FPOs. The infrastructure facility in the selected FPOs is very poor as they are in the initial stages of their development.

Measures to Overcome the Constraints

The following suggestions are given by the farmers to overcome the problems for proper functioning of FPOs

Table 2: Suggestion to improve functioning of FPOs

S. No.	Suggestions	Frequency	Percentage	Rank
1.	Government has to provide financial support for the efficiency of FPOs	22	22	I
2.	Business done on commission basis	18	18	II
3.	Awareness among the people should be brought with the help of extension workers	15	15	III
4.	By reducing the transporting cost By providing the storage facilities	13	13	IV
5.	By improving the credit and input provision to farmers	12	12	V
6.	By providing the storage facilities	11	11	VI
7.	By linking the FPOs with KYKs	9	9	VII

The various suggestions given for improving the functioning of FPOs are awareness among the people should be built up with the help of scientists, financial support from government, credit and Input provision to farmers, providing storage facilities were house, business done on commission basis and reducing the transportation cost. They have given highest priority to Government has to provide financial support for the efficiency of FPO (22 percent, Ranked I) followed by business done on commission basis (18 percent, Ranked II), awareness among the people should be brought with the help of extension workers (15 percent, Ranked III), reducing the transportation cost (13 percent, Ranked IV), improving the credit and input provision to farmers (12 percent, Ranked V), providing the storage facilities (11 percent, Ranked VI) and linking the FPOs with KVKs (9 percent, Ranked VII). FPOs need financial support from the government to build infrastructure facilities and provide better services to the member farmers. Mostly FPOs prefer to perform the business on commission basis taking the commission from intermediaries while marketing the produce. There was no awareness among the people

regarding the benefits of FPO, so farmers need training from the Agricultural scientists and extension workers. Huge money has to be spent on transportation of the produce, hence the FPOs are providing the transportation facilities. It was also suggested that the farmers should be provided with more credit, input and storage for their produce so that the farmers will show interest (Rural.gov.in)

Conclusion

The formation of Farmer Producer Organizations (FPOs) has the potential to significantly enhance the income level of farmers. By providing business services to smallholder farmer members and collectivizing small farmers for backward and forward linkages, FPOs can empower farmers to participate in modern competitive markets. Additionally, comparing the cost of cultivation of FPO members and non-members can motivate farmers to join FPOs. Identifying the constraints of FPOs and providing suggestions to overcome these problems will further strengthen the impact of FPOs on enhancing farmers' income levels to join the FPOs

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