

Farmer Producer Organization (FPO): An Integrated Review

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ABSTRACT

The Producer Organization (PO) is a legitimate component that involved interesting creators, specifically farmers, dairy producers, fishermen, weavers, local skilled workers, specialists. PO can be an advantageous association, co-employable society, or another overall arrangement of laws that offers the sharing of focal points and favorable circumstances between people. It is one kind of PO where people are farmers. The Small Farmers Agribusiness Consortium (SFAC) offers assistance for the headway of FPOs. PO is the fundamental name for a relationship of creators of anything, for instance, Agribusiness, non-farm things, crafted works, etc. The amount of farmers' relationship in India has extended definitely yet the challenges they face are many. The Indian government has announced \$ 34 million to manufacture a "PRODUCE" under NABARD. This paper included the probable occupation of the Farmers' Association concerning the quick plant advancement of emerging farmers in India. We are scrutinizing various POs appearing over time with the assistance of NABARD to show how PRODUCE can fill openings toward the start of producer bunches in India. Finally, we give an advancing model of how those resources can best be used, similarly as rules for setting up financially reasonable and broadening POs.

Keywords: - NABARD, POs, FPOs, collective bargaining, sustainable development

I INTRODUCTION

The Producer Organization (PO) is a genuine substance outlined by the primary creators, for instance, farmers, dairy creators, fishers, weavers, home specialists, skilled workers. A Producer Company can be a creator association, a co-usable neighborhood, another overall arrangement of laws that offer advantage sharing/benefits between people. In various brands, for instance, maker associations, driving creator spots can similarly be a person from the PO.

It is one kind of PO where people are farmers. The Small Farmers 'Agribusiness Consortium (SFAC) offers assistance to actuate FPOs. PO is a normal name for a relationship of creators of anything, e.g., Agriculture, non-farm things, craftsmanship things, etc.

Starting now and into the foreseeable future, the corporate government has been obliged by foundations like NABARD and the Small Farmers 'Agribusiness Consortium (SFAC), under the sponsorship of the Department of Agriculture and Cooperation (DAC), the Department of Agriculture. For example, NABARD has, as far back a few years, maintaining the plan and headway of POs through the Producer Organization Development Fund (PODF) and various activities. SFAC is moreover endeavoring to progress existing POs every single through Indium, or the year 2014 has been broadcasted "The Year of Farmer Producer Organizations" by DAC. Lately, India's Union Budget, the first in an as of late picked NDA-drove government, pronounced R3. 200 crores (\$ 34 million) to help the establishment and progression of POs by NABARD in 2014. The resource is known as

the Producers Development and Upliftment Corpus (PRODUCE).

NABARD has been supporting producer relationships since 2011 under PODF, which was started through the chief corpus of Rs. 50 crore (\$ 11.1 million) for 2010-11. Before the establishment of PODF, NABARD had commonly sponsored creators under the Umbrella Program for Natural Resources Management (UPNRM) and offered money-related assistance to various POs, called Second-Level Institutions (SLI). Lately, NABARD reconsidered the choice to develop the degree of exercises of Primary Agricultural Credit Societies (PACS), changing over some into Multi-Service Centers (MSCs). A couple of POs are upheld (and continue to be financed) through these channels.

Along these lines, NABARD has had wide, yet mixed, data on building POs since the incorporating techniques have made. An incredible rustic refiner has rich and grouped knowledge (likewise a strong association of nation credit foundations) in ensuring that current POSs are fiscally plausible and various affiliations (like SFAC, see underneath) can ensure that PRODUCE is throughout supervised. Dependent upon the specific necessities set out by NABARD, POPIs ought to be financially maintained under PRODUCE to ensure that their development helps and preferences the establishment of new FPOs. In any case, POPIs should ensure producer arrangement by perceiving existing bundles like Joint Liability Groups, Self-Help Groups, and Farmer's Clubs and transforming them with sensible perception of what issues need outside assistance. At that point, the cutoff building will consolidate homeroom planning, common social events, receptiveness visits, maintain for thing improvement, showing objections, displaying method, etc Also, organizing as of late

molded POs through the establishment and time of enlistment can be critical imagined by these workplaces. By setting up a fitting system to repay progress from POs under PRODUCE, POPIs can in like manner ensure that new creator affiliations are on track for better financial execution. Finally, similarly, like other exclusive organizations, setting incredible checking techniques can go far in ensuring that as of late outlined FPOs are financially appropriate.

II OBJECTIVE & METHODOLOGY

(a) Objectives

- (i) Analyzing the potential role of Farmers' Organizations.
- (ii) To analyze the sustainable development model of FPO.

(b) Research Methodology - The research is based on secondary sources of data or information. Various online news reports, strategic government agencies in government publications are aimed at creating a superior approach.

III LITERATURE REVIEW

Document survey is a significant piece of any examination as it not just gives an outline of the work done previously yet additionally gives a premise to deciphering and talking about the discoveries. Different examinations were directed every once in a while in various areas of India with various parts of FPOs. Numerous examinations are identified with ranchers' support in agrarian augmentation exercises, the present status of maker organizations, farming obligation in the legitimate area including business banks, RRBs, and neighborhood cooperatives, the rebuilding of the Indian Agricultural Marketing System, and the nearby economy. An audit of the submitted courses is introduced underneath:

- (a) Government of India** in their examination in 2013 presumed that to incorporate the little farmers with rural market at more profitable costs with low exchange cost and support them for the offer of their excess creation, Government of India presented a pilot conspire, Farmer Producer Organizations (hence, FPOs) during 2011-12 through Small Farmers' Agribusiness Consortium (SFAC). The reason for the development of FPOs is to collectivize ranchers, particularly little makers, at different levels across a few states to encourage innovation entrance, improve efficiency, empower improved admittance to sources of info and administrations and increment rancher earnings, in this manner reinforcing their feasible horticulture based occupations.
- (b) Rondot and Collions** in 2001 in their investigation found that the producers in the worth organizations are minimized because of expanding significance of retailing specialists.

There can be choices which can upgrade the exchange force of this gathering of farmers, for example, co-employable or Producer Companies based models. One such model is Farmer Producer Organizations (from now on, FPOs) which can coordinate the little ranchers with agrarian market at gainful costs with low exchange costs. With this agreement, this investigation investigates the current worth organizations and draws examination between the FPO-drove advertising framework and the regular models. It likewise makes an endeavor to examine the adequacy and sustainability of a particularly model in the Indian setting. Along these lines, the investigation centers around the FPO models existing in two conditions of India specifically, Punjab and Gujarat. The subsequent segment momentarily clarifies the current promoting channels for agrarian produce and the third area talks about the FPO model in India. Sustainability and feasibility of FPO program has been dissected from the field perceptions and has been talked about in the fourth area while the last segment presents the ends.

- (c) Kamal Vatta, Parisha Budhiraja and Gurpreet Singh** in his examination on Sustainability on Farmer Producer Organization under Agricultural Value Network in India in 2018 explored that The sustainability of FPOs post end of the award given by SFAC (which last just two years post foundation of this framework), offers a conversation starter to work as an autonomous association. There are some vital difficulties regarding admittance to credit to meet their infrastructural and working capital requirements which have accepted the centrestage. The greater part of the FPOs are coordinated by little and minimal ranchers and their commitment to value base association is frequently lacking to take care of even the operational expense. Albeit these associations are possessed, and oversaw by ranchers, yet the compensation to staff like directorate, CEOs, nearby asset people, sanctioned bookkeepers should be covered by the net revenues made by FPOs. Another issue is getting advance from banks, hesitance in loaning credits to associations like FPOs with little turnover and nonappearance of insurance makes it troublesome. In this manner, an ideal environment is an absolute necessity for advancement of these worth organizations since they manage the weakest piece of agri-esteem networks what begins from the homestead and goes on till handling and the removed business sectors.
- (d) Dr Amar KJR Nayak (2017)** has contemplated the present status of Indian assembling organizations through hierarchical construction and the arrangement of possession and operational execution of existing organizations in different business areas and to improve

productivity and market power. for small and medium scale farmers.

- (e) **Neha Christie and C. Shambu Prasad (2017)** in their paper investigate information creating studies and assembles fortitude among accomplices working for the government assistance of gainful ranchers through their organizations. Focus on sharing accomplishments as well as problem areas in the development and the executives of FPOs.

IV PROPOSED SUSTAINABLE DEVELOPMENT MODEL

- (a) **Research Gap** - As most of the peripheral and small farmers are confronting extraordinary concealment by the brokers/commission agents for gainful cost and beneficial pay, and the investigation was done on farmer producer organization has not done by taking the perception of farmers because of which they are not getting the reasonable advantages from the farmer producer organization, which is a significant issue for concern. Increasingly more commitment from the advancing foundations is of the most extreme requirement for training, business arranging, and market linkage with different public and worldwide organizations. Backing from the arrangement producers in running the FPO will be an extraordinary shelter to the cultivating local area.
- (b) **Sustainable Development Model** - The round model proposed here shows the means from the interior administration of an FPO to its outer administration. It begins with building the limit of FPO board individuals and other institutional pioneers to learn great administration practices and practices. Learning all alone is a stage towards the development of FPO, which is vital for self-assurance. Estimating and recording information focuses is another progression in making FPO noticeable and prepared to convey, this additionally assumes a significant part in molding future methodologies. The organization is another significant advance in making FPOs practical over the long haul, reaching purchasers, providers, monetary establishments, carriers, stockrooms encourages take FPOs to the following level. The planning step will assist with changing the methodology of the FPO from the main phase of development to the following stage, etc, on the whole stages, the requirement for FPOs will change. Here are a few stages (in view of the said model) that should be taken by various partners in making FPOs a superior future.
- (i) **Step 1 - Regular capacity building of FPO board members and other key appointments to Management Practices-** FPO board members as a rule come from agrarian history, head of region panels, or stand firm on other initiative footholds in the

town or at the Gram Panchayat level. Different zones where the arrangement of board individuals is more significant incorporate; towns where nearby administration is powerless, an enormous number of smallholder ranchers exist, towns are excessively far separated, the working class is excessively solid, openings for blending are accessible, and so forth Effective FPOs are those, where authority is solid and ready to play out their obligations with most extreme trustworthiness and respectability. By and large, it has been discovered that horticultural alumni from provincial and nearby networks are recruited to play out the obligations of the CEO of FPO, a technique that is useful for institutional structure, yet the board should comprehend that the part of CEO and holding this position is outside the extent of neighborhood governmental issues. Board individuals need steady limited working in great administration practices and assist them with improving their business and MIS abilities.

- (ii) **Step 2 - Exit the FPO goal scoring system; including financial, administrative, social and environmental-** Today there is no standard arrangement in the entire field for getting FPOs, change practices or backing associations. It has become evident that monetary establishments don't have a different interaction for assessing FPOs, which is viewed as a delicate issue. Policymakers need to comprehend the basic issues related to FPOs; requires an exceptional testing measure as it is a mix of business and social foundations. The test school can change and regard the FPO as a business association after specific years. At present, monetary foundations center more around balance size, yet leaving social and ecological limits isn't right. A standard arrangement of objective scoring models for FPOs in an alternate classification is needed to help monetary establishments, private offices, CSR organizations, and different partners to comprehend the significant picture of the foundation prior to giving assets to work.
- (iii) **Step 3 - Changing rural, agricultural and farmer development policies and FPOs -** In India, we cause an approach of numerous issues and afterward neglect to incorporate those at the undertaking level. There is the clearness of program/plot level according to FPOs in New Delhi, however, the equivalent ought to be decreased at the town level. There are numerous approaches that can be changed for FPOs to help them initially and help these organizations make the following stride later on. Establishments, for example,

NABCONS, SFAC, the Department of Agriculture can meet up on FPO-related issues and assist each other with distinguishing assets, chances, hindrances, and so on.

- (iv) **Step 4 - Improving risk management systems in FPO** - FPOs urgently need to design their information the executive's frameworks, all that occurs in the field, market, vault, and gatherings ought to be very much reported. This will be useful in deciding the pattern of exercises that happen in any FPO, which will be the way to future achievement. The standard MIS arrangement should be forced by the public authority and different offices. A few stages have been taken by different organizations, yet require a logical and easy-to-use approach. Inspectors and senior administration of FPOs need direction in their MIS-related exercises, with solid blunders and mistakes.
- (v) **Step 5 - Propose the formation of FPO funds in a separate category, and support it in financial communication** - The monetary design and tasks of an FPO can't stay adjusted for the duration of its life cycle, likewise, with some other association, the FPO additionally needs an underlying change to address the development way. Zeroing in on the essential construction of FPO has a spot for new nearby advancements, however, strategies don't uphold new developments. The FPO's life cycle requires the foundation of various neighborhood levels and associations to support manageability over the long haul. The proposed FPO monetary design functions admirably now and again, however much of the time, it has been discovered that the FPO returns as an establishment when the suspension of financing from the public authority or some other association is suspended. The venture is likewise in the possession of monetary foundations, as there is consistently the chance of loaning because of political pressing factors. The formation of an FPO center pledge drive requires certain adaptability, incorporated monetary arrangement, and expanded responsibility for utilizing the office and the executive's board.
- (vi) **Step 6 - Intra FPO learning and development platform to be launched** - There is a need to assemble a stage for gaining from the errors and accomplishments of one another, right now, FPOs are gaining from other FPOs distantly or can collaborate in another circumstance, which is less significant. The public authority through eNAM anticipates a major change, yet neighborhood structures need to

approach and begin utilizing them to share nearby information. A state or territorial level data discussion should be created for FPOs, which should be coordinated by the Department of Agriculture or significant government offices.

- (vii) **Step 7 - Increase the role of FPOs in community development activities** - FPOs are framed in the nearby local area in the town, where one job is vital; be it farming, fishing, cultivation, and so forth All maker bunches meet up and structure an FPO. To remember this area, we likewise need to recognize normal social issues in the public eye. All in all, in my experience, I have seen that all ranchers, anglers, and different makers deal with similar social issues, really a similar spot. To upgrade the responsiveness of FPO, there is a need to characterize its social job. This activity can help FPOs become socially focused, making them more straightforward and responsible to the local area. FPOs come up short since individuals don't think past their item, coordination, and productivity. It is exceptionally essential that public reaction ought to be joined to these establishments from the development stage.
- (viii) **Step 8 - Consolidating the role of FPOs in strengthening the business environment** - We ought not to regard the FPO as a solitary substance, it could prompt the development of other little and medium-sized foundations. The whole provincial climate should be rebuilt, which fills in as a key and changes the new environment of rustic organizations to develop more country business people. FPOs can assume a vital part in the provincial turn of events, which is imagined in this idea. Policymakers, government divisions, DMs, BDOs, agrarian laborers, common society associations, and so on all need to comprehend the incredible texture of provincial advancement before they can comprehend the FPO.
- (ix) **Step 9 - Link the FPO to the nearest agricultural center** - FPOs need customary initiative and limit building, best practices, elective environment-related information sources, hereditarily changed seeds, and so on; the entirety of this and significantly more is past the force of the executing offices, the FPO itself, and other government offices. It is acceptable to interface with rural colleges, regulatory organizations, government horticulture offices, and other data places with the public authority. This ought to be viewed as two arrangements, the data communities are resolved to explore contemplates, better investigation of achievements and disappointments, data from ranchers can

help them and policymakers over the long haul. While, ranchers need consistent limit working in business the board, MIS, creation strategies, and creation advances. FPO is a coordinated improvement place for rustic individuals, particularly makers. These estimates will build their capacity to go through more cash and help them in assuming a significant part in the monetary turn of events.

V CONCLUSION

NABARD can possibly advance (and set up) POs for the following a few years. By effectively zeroing in on existing rancher gatherings like ranchers' gatherings, SHGs, and JLGs and POPI ID, NABARD can utilize PRODUCE to forcefully advance new POs (both on and off the homestead). A vital necessity for the achievement of POs is to fabricate viable limit building and to support organizations that permit new POs to perform business capacities. A portion of the critical components of the arrangement under the NABARD PRODUCE are featured as follows:

- (a) Continued utilization of different types of monetary help and backing will encourage an assortment of PO advancement procedures. PRODUCE will fill in as a significant motivation for the work previously attempted under these projects.
- (b) Examining existing associations and gatherings (like PACS) to evaluate how POs can be upheld through different channels.
- (c) The NBFC is focused on dealing with the PRODUCE organization and giving fundamental credit prerequisites to recently framed FPOs.
- (d) Capacity working, inside and outside NABARD (in a joint effort with SFAC) to comprehend (and eventually give) the various necessities of POs will guarantee that their tasks are reasonable and monetarily practical. From various perspectives, POs structure a fundamental piece of the

vocations of smallholder and native ranchers because of destitution and improve their seriousness in agrarian business sectors. In the event that we accept this as an issue of 'Green Transformation', it must be reasonable if measures that advance supportable and comprehensive rural improvement are taken inside the accessible assets. Maker Organizations can contribute diversely to this, and ought to be created and upheld adequately.

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