



A Review on Farmer Producer Organization: Challenges and Opportunities for Farmers' Growth

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104

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Abstract

The purpose of this study is to determine the challenges and opportunities that leads how to achieve success in Farmers Producer Organization. This paper also highlighted the benefits could be drawn for Farmers Producer Organization. The purpose of this paper todetermine the reasons that why sometimes Farmer Producer Organization are not successful. An attempt is made to understandthe roles and challenges faced by Farmers Producer Organization. The findings of the study is that it provides few means that will lead Farmers Producer Organizationto get the success during the time of uncertainties.

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1. Introduction

Farmer Producer Organizationengage in creating the organization's rules and making decisions in Farmer Producer Organizations, which are voluntary organizations (Trebbin and Hassler, 2012). They do not discriminate on the basis of gender, socioeconomic class, race, political affiliation, or religion and are open to anybody who can use their services and is ready to accept the obligations of membership. Farmer-members, elected officials, managers, and staff are all given instruction and training by Farmer Producer Organization operatives so that they may effectively contribute to the growth of their Farmer Producer Organization

(Bikkina, Turaga,andBhamoriya, 2018). Government funding for organizations that represent farmers and producers is also discussed in present study. Ramasundaram et al., (2018) shared their view that by 2022, the Indian government planned to double farmer income, however this goal is likely to be missed. This is due to the fact that a variety of factors affect the effectiveness, productivity, and economic feasibility of Indian agriculture Trappel (2015) observed that the Agrarian distress is caused by a variety of elements, including subpar supply chain management, a lack of technology, and the shrinking average size of agricultural holdings. Additionally, these



variables have a greater impact on small farmers. The government of India is actively supporting Farmer Producer Organization in response to the issues faced by small and marginal farmers. The grouping of small, marginal, and landless farmers into Farmers Producer Organization has improved the farmers' access to markets and economic power, which has increased their ability to increase their income (Joshi and Tyagi, 2019). The Government of India's Ministry of Agriculture & Farmers Welfare is the primary agency for developing and enforcing the laws and rules pertaining to agriculture in India.

The "Formation and Promotion of 10,000 Farmer Producer Organizations (Farmer Producer Organization)" Central Sector Scheme, with a total budgetary outlay of Rs. 6865 Cr., has been approved and launched by the Government of India with the goal of forming and promoting 10,000 new Farmer Producer Organizations until 2027–28.

According to the plan, specialised commodity-based strategy and Produce Cluster Area approach are used to develop and promote Farmer Producer Organization. In order to develop product specialization, Farmer Producer Organizations will be formed using a cluster-based model with a focus on "One District One Product" (Prasad, Dutta and Ravichandran, 2020). Each block initially only receives one Farmer Producer Organization.

As of now, Implementing Agencies have been given permission to organize Farmer Producer Organizations for a total of 4465 new produce clusters, of which an initially one Farmer Producer Organization is allocated per block (Mondal, Choudhary and Mondal, 2021). So far, a total of 4465 new Farmer Producer Organization produce clusters have been allocated to Implementing Agencies for formation of Farmer Producer Organization, of

which a total of 632 number of Farmer Producer Organization have been registered.

2. Benefits Deriving from Farmer Producer Organization

2.1 Delining Average Land Holding Size:

Farmer Producer Organizations can help farmers work together to solve productivity problems brought on by small farms (Bikkina, Turaga and Bhamoriya, 2018). Due to the increasing intensity of farming, this may also lead to the creation of more jobs.

2.2 Negotiating Commercially with Farmers:

Trebbin (2014) suggested that the Farmer Producer Organizations, which enable members to bargain together and support small farmers in both input and output markets, can assist farmers compete with major multinational organisations in negotiations

2.3 Managing Farmers Economically:

Krishna (2018) explored that the Farmer Producer Organizations can offer its member farmers high-quality inputs at reasonable prices. Loans for crops, the purchase of equipment, agricultural supplies (fertilisers, insecticides, etc.), and direct marketing following the purchase of agricultural produce are a few examples. Members will be able to cut back on time, transaction fees, distressed sales, price volatility, transportation, quality maintenance, and other expenses as a result.

2.4 Impact Socially without Gender Biasness:

Social capital will develop in the form of Farmer Producer Organization, as it may lead to improved gender relations and decision-making of women farmers in Farmer Producer Organization (Hall and Mogyorody, 2007). This may reduce social conflicts and improved food and nutritional values in the community.

3. Challenges for Farmers Producer Organization

3.1 Organizational Services:

It is a challenge to organizational services include the supply of seed, market



linkages and fertiliser, machinery, training, financial, networking and technical advice (Bingen, Serrano and Howard, 2003). The main aim of the Farmers Producer Organization is to increase the income for the producers through an organisation of their own that could be managed through Organizing farmers, capacitybuilding, catalyzing collectiveaction, establishing internalmonitoring system

3.2 Production Services:

The challenge is to supply quality production inputs like seed, fertilizer, pesticides at reasonably lower wholesale rates. Rao, Dinesh and Nune (2021) suggested that Organization for Farmers and Producers can facilitate manufacturing operations and input supply for members, as well as make need-based production and post-production machines and equipment available on a custom hiring basis.

3.3 Marketing Services:

It is a challenge when middlemen continued to be heavily involved in the sale of the produce, and business practices increasingly abused the market. Farmers are unable to obtain higher prices for their goods as a result. Therefore, when it is formally managed through the farmers the cost of transportation, storage and processing of the product could use in marketing to market the product (Eaton and Shepherd, 2001). An attempt is made to analyze that the product can certify to make a brand what farmers produced.

3.4 Financial Services: The challenge towards the Farmers Producer Organization centers on the expense of registering new farmers, the price of operations and management, training, and exposure trips. (Raju and Wani, 2016). It could be resolved through Savings, loans, financial management

3.5 Technology Services:

Challuri and Sudheer Patoju (2021) observed that the challenge which farmers face majorly is Weather forecasting, Automated irrigation, Intelligent software analysis for pest and disease prediction, soil management and other involved analytical tasks. The best way is to sought out through proper Education and extensive research.

3.6 Education Services:

The challenge comes when it is required to impart knowledge and provide training to particularly young people and opinion leaders especially about the nature and benefits of Farmers Producer Organization (Kumar, Wankhede and Gena, 2015). It could eradicate when will try to develop the Business skills, increase in production and awareness towards health

4. Reasons of Failures in Farmers Producer Organization

Farmer Producer Organisation Farmers Producer Organization is not successful in some countries for the following six reasons:

4.1 Lack of Clarity Regarding the Organisation's Objectives

Farmers Producer Organization are often set up without a clear idea of what they are trying to achieve, which can lead to confusion and disagreement amongst members (Lewis, 2005).

4.2 Insufficient Technical and Financial Support

Farmers Producer Organization need access to adequate resources to succeed, but this is often lacking (Verma, Sonkar, Kumar and Roy, 2019). This can make it difficult for them to attract and retain members and effectively carry out their activities.

4.3 Poor governance and Management

Many Farmers Producer Organizations suffer from poor governance, leading to inefficiency and corruption. This can discourage farmers



from wanting to join or remain involved with the organization (Mourya and Mehta, 2021).

4.4 Lack of Farmer Participation

In order for an Farmers Producer Organization to be successful, farmers must be actively involved in its activities. However, many Farmers Producer Organization fail to engage farmers meaningfully, resulting in low levels of participation (Singh, Budhiraja and Vatta, 2018).

4.5 Intra-organisational Conflict

Conflict between members of an Farmers Producer Organization can arise for several reasons, such as differences in opinion over how the organisation should be run. If not managed effectively (Uphoff and Wijayaratra, 2000).

4.6 Absence of a Clear Value Proposition

One of the main reasons for the plight of farmers in India is the absence of a clear value proposition from Farmer Producer Organisations (Farmers Producer Organization). They are often not able to secure good deals for their members.

5. Ways to overcome barriers in Farmers Producer Organization

A Farmer Producer Organisation (Farmers Producer Organization) can be a powerful tool for farmers, giving them greater bargaining power, access to inputs and markets, and economies of scale. However, setting up and running an Farmers Producer Organization is not without its challenges. Here are a few tips for making an Farmers Producer Organization more successful. There are many factors that can contribute to the success of a Farmer Producer Organisation (Farmers Producer Organization).

5.1 Improve Communication and Coordination among Members

One of the keys to a successful Farmers Producer Organization is strong communication

and coordination among members (Marbaniang, Chauhan and Kharumnuid, 2019). This includes sharing information about best practices, choosing leaders who can effectively represent the interests of the group, and working together to resolve conflicts.

5.2 Build a Diverse Membership

A diverse membership is essential for a Farmers Producer Organization to be successful. This includes growers of different crops with different experiences and expertise. It also includes people from different parts of the supply chain, such as buyers, processors, and retailers.

5.3 Create a clear mission and purpose

Prasad (2019) observed that the Farmers Producer Organization needs to have a clear mission and purpose to succeed. The mission should be specific enough to guide decision-making but flexible enough to adapt as the needs of the members' change. The purpose should be something that all members can rally behind and support.

5.4 Develop Strong Financial Management

Financial management is critical for any organisation but especially important for a Farmers Producer Organization. This includes developing a budget, tracking expenses, and raising money when needed. Strong financial management will help an Farmers Producer Organization survive tough times.

5.5 Invest in Training and Capacity Building

Training and capacity building are also essential for an Farmers Producer Organization to be successful (Modi and Venkatachalam, 2021). This could involve providing members training on financial management, crop production, marketing, etc. It might also mean investing in new equipment or resources that members can use.

6. Conclusion

In order to improve farmers' income and quality of life through lower cultivation and transaction



costs, Farmers Producer Organizations have been playing a significant role in integrating both forward and backward linkages in the agricultural sector. In order to meet the demands and meet the problems, the Indian government has been working hard to build and promote these Farmers Producer Organizations. The obstacles and difficulties that arise during the growth and promotion of Farmers Producer Organizations appear to be widespread, and the development organizations have been working hard to assure their survival.

Farmers Producer Organizations have numerous potential to shine even more in the future, too. As a result, it's critical to give farmers the tools they need to adapt to a changing agricultural environment, including technical assistance, training, and the sharing of best practices. By following these tips, Farmers Producer Organization can increase its chances of success and positively impact its members' lives. Therefore, this study is useful when influencing factors will be understanding properly and will get the success in Farmers Producer Farmers Producer Organization.

The Welfare services and Health safety nets will promote the Farmers Producer Organizations as at common platform they are noted and their needs are taken into consideration as well. Management of resources Water, fisheries, pasture, forests, soil conservation is required to be taken care at utmost important for managing efficiently and effectively Farmers Producer Organizations

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