

# Awareness of Rural Farmers on Farmers Producers' Organization (FPO) and Its Activities

Dr.K.K.Vasudevan and K.Sivakumar

*Assistant Professor and Research Supervisor, Department of Management, Gobi Arts and Science College, Gobichettipalayam, Erode.*

*Research Scholar, Department of Management, Gobi Arts and Science College, Gobichettipalayam, Erode.*

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**ABSTRACT:** India stands great in the list of world agriculture and is gearing up to face the strong demand that is awaited in coming years. A great increase in global food demand is being placed for the projected population growth, and India is well-stocked to answer this quest. Diversified agro-climatic conditions throughout the length and breadth of this country have made it the second-largest producer of rice, wheat, sugarcane, cotton, groundnuts, and many fruits and vegetables. The present study aimed at knowing awareness of farmers towards FPOs and its activities in Erode District. A questionnaire was used to collect data from the rural farmers. 100 samples were chosen from the study area through convenience sampling. Staying out in front of the message of efficient practices, fair trade, and community development, FPOs make rural economies more resilient and improve the wellbeing of farming communities. Acknowledging and supporting the role of FPOs will not only be strategic but a moral obligation in the pursuit of a brighter and more inclusive future for agriculture and rural livelihoods.

**KEYWORDS:** Agriculture, Breath, Producer, FPOs, Rural.

## I. INTRODUCTION

An FPO, or Farmers Producers Organization, is a collective where the members are farmers themselves. This organization provides comprehensive support and services for small farmers, encompassing technical assistance, marketing, processing, and various cultivation inputs. By aggregating their resources, primary producers can benefit from economies of scale and enhance their bargaining power with bulk buyers and suppliers of inputs. Additionally, FPOs create social, economic, technological, and policy impacts

that benefit both groups and individuals over time. Management and governance refer to how an FPO conducts its activities, including the structure of its Board of Directors, the delegation of authority and responsibilities, and the implementation of systems, processes, and internal controls. Over time, effective governance is crucial for protecting the interests of shareholders, particularly the producer members. As part of their operations, FPOs offer a wide range of services to their members, covering nearly all aspects of agriculture—from inputs and technical assistance to processing and marketing. They also facilitate connections between farmers, processors, traders, and retailers to better coordinate supply and demand and provide essential business development services like market information, input supplies, and transportation. To meet the evolving needs of their members, FPOs continually expand their service offerings.

## II. SIGNIFICANCE OF THE STUDY

The aim of a FPO is to raise the producers' incomes by making them self-organize. Due to small scale, individual small producers lack volume in inputs and outputs to take advantage of economies of scale; besides, in the marketing of agriculture, there is a long chain of intermediaries who often do not provide transparency in their undertakings. This often leaves producers collecting only a fraction of the final consumer's price.

Aggregation of a resource brings scale economies and enhances the bargaining power of FPOs with bulk buyers and suppliers. The Farmer Producer Organizations are important in agriculture. These organizations empower farmers, particularly the smallholders, through aggregation of their resources to enable them to improve access to the market and supply multiple

support services. FPOs play a crucial role in improving the socio-economic status of farmers, besides developing rural areas and promoting sustainable agricultural development. FPOs, along with cooperative principles and collective action, help to address all these challenges for farmers, including credit, inputs, technology, and market information. Together, they form a way for the agricultural sector to move towards inclusive growth, resilience, and prosperity.

### **III. STATEMENT OF THE PROBLEM**

Most FPOs lack limited human resources, technical skills, and managerial capacity, hence making them ineffective and unsustainable in certain cases. In general, getting cheap credit and financial facilities for investing in agricultural inputs, infrastructural development, and value addition is a challenge for most FPOs. Getting an assured market linkage and getting a reasonable price for crops are issues mostly concerning most FPOs since they commonly experience problems in terms of negotiation with the buyers or in accessing competitive markets. Also, access to high-quality farm inputs like quality seeds, fertilizers, and pesticides at cost-effective rates is another problem FPOs face since these impact crop productivity and income. They also do not have access to technology and digital tools, so they cannot adopt more modern farming techniques or efficiency measures. Legal barriers in terms of formalities for registration and bureaucratic complications often jolt their smooth functioning and also access to schemes and support from the government.

### **IV. AIM OF THE STUDY**

The present study aimed at knowing awareness of farmers towards FPOs and its activities in Erode District.

### **V. REVIEW OF LITERATURE**

Logesh et al. (2023) had only underlined the following aspect that on-farm training is necessary for the speedy spread of technology among the farming community so as to influence their socio-economic conditions and increase agricultural productivity. TNSFAC regularly conducts training programs for its farmer member groups for improving the knowledge and skills associated with agri-business. The results of the training programme are dependent on the attitude of the farmers about training. Hence, the training centers must understand the attitudes of farmer members and the socio-economic factors which influence such attitudes. To this end, a survey was

conducted among 80 farmers from the Coimbatore and Nilgiris districts. The study conclusions outline how education qualifications of farmers and experience with FPOs and familiarity with social media have played a greater role in determining the attitudes of the farmers toward participating in training programs. A multiple linear regression analysis was conducted to test the association of socio-economic profiles with the attitudes of the FPO members. The mean score analysis has portrayed that the farmers had a very positive attitude towards the trainers' competence. According to McMichael (2009) Farmer Producer Organizations are very crucial in the improvements of small and marginal farmers' productivity, and their financial viability and sustainability throughout the nation. Being united as producer organizations, and undertaking collective action, can lessen market transaction costs, enhance their bargaining powers in the market, and amplify their reach to the markets. FPOs are considered a very important formal organization through which small and marginal farmers could build competitiveness in the market.

### **VI. METHODOLOGY**

Research methodology represents a systematic, scientific approach to gathering, analyzing, and interpreting quantitative or qualitative data towards answering research questions or testing hypotheses. It is actually the blueprint for research and helps in directing researchers to the areas of focus and scope of the study by keeping them narrow-minded. The present study aimed at knowing awareness of farmers towards FPOs and its activities in Erode District. The study used both primary data and secondary data. A questionnaire was used to collect data from the rural farmers. 100 samples were chosen from the study area through convenience sampling.

Multiple regression technique was used to know the association between awareness of farmers on FPOs and independent variables.

### **VII. ANALYSIS AND RESULTS**

Multiple linear regression, often abbreviated as MLR or multiple regression, is one of the most frequently used statistical tools that is applied to determine whether several explanatory variables may predict the outcome of a response variable. The most important objective of MLR modeling is to model the linear relationship between the explanatory (independent) variables and the response (dependent) variable. In short,

multiple regression is an extension of OLS regression since it includes more than one explanatory variable.

**Hypothesis:**

**H<sub>0</sub>** :Awareness of farmers towards FPOs and its activities are not associated with independent variables

**H<sub>1</sub>** :Awareness of farmers towards FPOs and its activities are associated with independent variables.

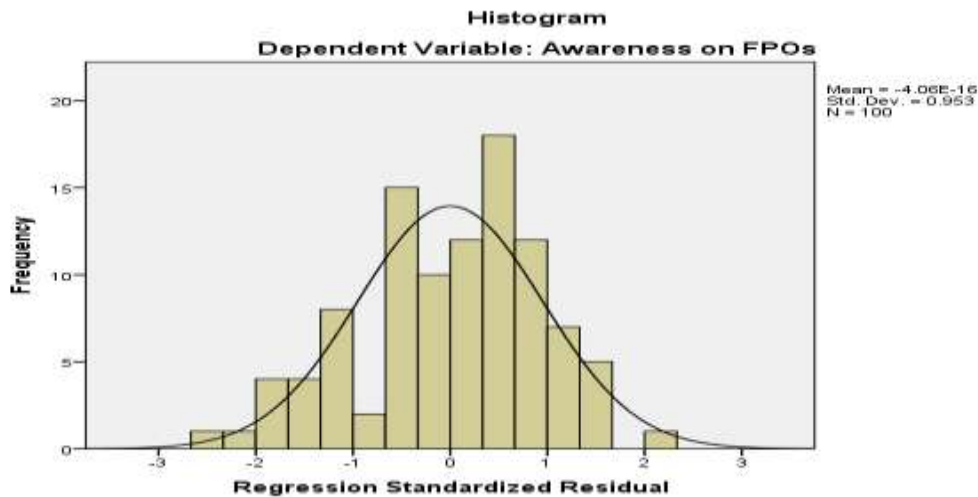
**Table 1**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.455	.207	.128	16.115

It is well-known that R square value is 0.207 which displays those three variables such as gender, family size and type of crop are

contributing 20.7% on the awareness of farmers towards FPOs and its activities and these are significantly related at 1% and 5% level.

**Chart 1**



The table below displays the results of multiple regression analyses, illustrating the relationship between independent variables and farmers' awareness of FPOs and their activities.

**Table 2**  
**Multiple Regression Analysis**

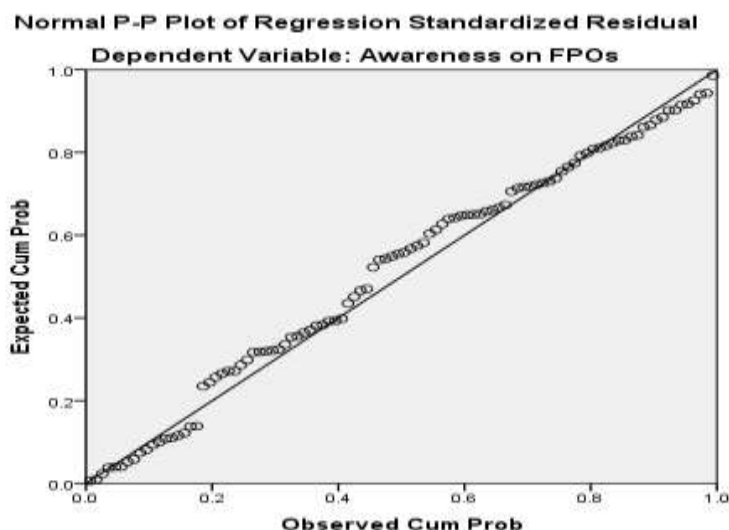
Variables	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	53.360	11.214	4.758	.000
Gender	7.217	2.740	2.634	.010*
Age	2.632	1.654	1.591	.115
Marital status	-1.146	1.727	-.663	.509
Family size	4.912	1.965	2.500	.014**
Educational qualification	-2.027	2.176	-.932	.354
Type of crop cultivation	-6.300	2.649	-2.378	.020**
Income per year	-.017	1.868	-.009	.993
Experience in FPOs	1.220	1.304	.936	.352
Land size	-.247	2.341	-.106	.916

- Significant at 1% level: \*\* - Significant at 5% level.

It is understood from Table 2 that the variables such as gender, age, family size, and experience of the farmers in FPO are positively associated with the awareness of FPOs and their activities. The pace of raising the level of awareness of the farmers on FPOs and their activities shows

better results such as gender with 7.217 units change, with 2.632 units change in age, with 10.354 units change in monthly income, with 4.912 units change family size, and with 1.220 units change in experience of the farmers in FPOs.

**Chart 2**



The chart above presents the Normal P-P plot of the regression standardized residuals, reflecting the association between farmers' awareness of FPOs and the independent variables. In the subsequent ANOVA table, the variables exhibit an F value of 2.608, with a corresponding

probability for the F test of 0.05 or lower. Therefore, the F value is significant at the 1% level, indicating that the study is well-suited for examining the relationship between the selected variables.

**Table 3**

Anova		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6094.600	9	677.178	2.608	.010 <sup>b</sup>
	Residual	23371.640	90	259.685		
	Total	29466.240	99			

Hence, it is exposed from the study that independent variables such as gender, family size and type of crop are contributing 20.7% on the awareness of farmers towards FPOs and its activities and these are significantly related at 1% and 5% level.

At the same time, variables such as gender, age, family size, and experience of the farmers in FPO are positively associated with the awareness of FPOs and their activities. These variables proved their positive performance with the dependent variable.

**Table 4**

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	46.31	81.24	63.24	7.846	100
Residual	-40.498	35.422	.000	15.365	100
Std. Predicted Value	-2.157	2.295	.000	1.000	100
Std. Residual	-2.513	2.198	.000	.953	100

Thus, it is visible from the study that predicted values falls between 46.31 and 81.24 as minimum and maximum value.

At the same time, the hypothesis proved that awareness of farmers towards FPOs and its activities are significantly associated with gender, family size and type of crop.

### VIII. SUGGESTIONS AND CONCLUSION

To ensure ongoing technical support, guidance, and capacity building, FPOs should establish strong connections with local agricultural universities, KVKs, ICAR institutes, or other regional development organizations, which can serve as Incubation or Facilitation Centres for the FPOs. Each FPO's Board of Directors could include a representative from these organizations to provide technical and strategic advice for future growth. Additionally, executive members should receive regular training on various aspects of FPO operations. To facilitate this, 2-3 agencies or institutions in each state should be designated to conduct training programs for the FPO executives. Many gender interventions are created to promote women's participation and leadership in FPOs, particularly the leaders. Gender strategies should be adopted through shaping policies of FPOs on women's inclusion; discussions on intrahousehold perspective to challenge social norms; gender-sensitization activities for collective leaders; advisory services on gender equity; training on leadership for women members and leaders; and awareness training on gender for all members and leaders. Common infrastructure facilities such as warehousing, cold storage, sorting and grading, and packaging should be established at the district level, allowing new FPOs to access them on a pay-and-use basis during their initial stages. This approach would also foster rural micro-entrepreneurship, alleviating the burden on each FPO to set up these facilities early in their development. In addition to targeted empowerment strategies, there should be general approaches designed to enhance the functionalities of FPOs. These include access to service providers in finance, technology, and agriculture; enhancement of market, buyer, and infrastructure access; and direct enhancement of lending services to cooperatives.

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