

## Farmer Producer Organizations in Madhya Pradesh: “Structure, Performance, and Key Operational Dimensions”.

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### Abstract

*The concept of FPO's being introduced by Dr Y K Alagh committee in their report submitted to government favoring the concept hybrid combination of cooperatives and companies. This concept is first being harnessed in Madhya Pradesh for increasing the income of farmers. Multistage sampling has been used for collecting the data. Data regarding key activities and status of 20 FPOs has been studied in this research paper which are further being divided in three stages Incubation or Nascent Stage FPO, Growing or Emergence stage FPO and Mature stage FPO. The cronbach alpha value has been used to test the reliability of questionnaire which is 0.72 and is acceptable. The study reveals distinct differences across nascent, growing, and mature FPOs in Madhya Pradesh. Nascent FPOs are mostly led by younger, less experienced female BoD's and CEO's with lower educational qualifications, limited landholdings, and basic activities like FIG formation and meetings. Growing FPOs have more experienced, male-dominated leadership, better educational background, cover more villages, and engage in advanced functions like training, marketing, and aggregation. Mature FPOs show improved turnover, perform value-added activities like processing and packaging, and have stronger market linkages. Resource support shifts from NGOs and SFAC in early stages to SRLM in mature ones, reflecting institutional evolution and growth.*

### Introduction:-

In India, approximate 24.8 million are small farms with individual operating lands measuring less than 2 hectares. In 2010-11, marginal and small farm holdings accounted for 85 per cent of the total farm holdings in India i.e decreased from 2.28 hectares in 1970-71 to 1.15 hectares in 2010-11 (Badatya et al., 2018). Indian agriculture is production oriented confined in large number of fragmented smallholdings. It can be revived by stepping up investments for productivity enhancement, agricultural marketing and post-harvest agri-logistics for boosting agricultural growth. (Mudholkar and Gill, 2019). Rising cultivation costs have eroded farmers' incomes and they have also suffered depressed prices in glut seasons resulting not able to recover their production costs. Farmer's must be organized both for input and output market linkages under such conditions. In order to address these challenges the concept of Farmer Producer Organization's has been introduced in 2002 by Dr YK Alagh Committee so that farmers can get benefit the benefit of co-operatives for increasing farmers' incomes by improving access to quality inputs, efficient technology, credit and markets, as well as improving their bargaining power and enabling them to participate directly in the value chain. (Verma, 2020; Govil et al., 2020). A Producer organisation can be producer company, a cooperative society or any legal form which provides for sharing of profits/ benefits among the members. (NABARD, 2015). Farmer Producer Organisation (FPO) is a farmer-led group that aims to help farmers become self-sufficient. Participation in social activities, social recognition, motivation, leadership quality, and a sense of social responsibility were all observed as social advantages of being the member of FPO (Tiwari et al., 2021). During the year 2014-15 government of India has

given NABARD a corpus of Rs 200 crores under “Producer Organization Development and Upliftment Corpus (PRODUCE) Fund which is to be utilized for the building and promotion of 2000 FPOs across the country in two years (Kumar *et al.*, 2021). In Maharashtra, Uttar Pradesh, Tamil Nadu, Madhya Pradesh, Rajasthan, and Karnataka, 84 per cent of FPCs are registered as producer companies. As per the NABARD database, Madhya Pradesh is the highest-ranked FPO supported by SFAC. Small and marginal farmers account for the majority of farmers in FPOs, followed by women and tribal farmers at 16 per cent and 12 per cent, respectively. (Prasad, 2019). Agriculture in Madhya Pradesh grew at a rate of 9.7 per cent per annum during the decade 2005-06 to 2014-15 which is even more than the growth of Punjab during green revolution. Madhya Pradesh mainly grows oilseed, Soybean and wheat for which it has received three time “KRISHI KARMAN AWARD” (Gulati *et al.*, 2017). Madhya Pradesh is the first state to have organized Farmer Producer Organizations under the District Poverty Initiative Programme (DPIP) implemented during 2002-11 with support from the World Bank. (Verma, 2020). NABKISAN Finance Ltd., a subsidiary of NABARD, provides financial support to FPOs in the form of collateral-based and collateral-free term loans and working capital loans to suit various lifecycle needs of the FPOs. FPOs promoted by NABARD and SFAC are concentrated mainly in 4 states: Madhya Pradesh, Karnataka, Maharashtra and Tamil Nadu which accounts for about 40 per cent of the total PCs (Govil *et al.*, 2020). Early-stage (incubation stage), growth stage, emergence, and mature stage are the stages of proper FPO development model. A robust supply chain model generates results regarding lower costs and faster production cycles. (Das, 2020). Numerous studies have examined logistics of agri-outputs and inputs within cooperatives; however, these dynamics remain poorly understood within FPOs. FPO activities shed light on their organizational structure, decision-making processes, and strategies for enhancing agricultural productivity yet very few literatures are available to study activities performed by FPOs.

## Literature Review

Abokyi (2013) found that FPOs usually focus on production, processing, marketing, input procurement and community development. It is for this reason that FPOs help in the development of entrepreneurial culture and environmental benefits, which in turn aid in the welfare of farmers and contribute to the economic development of the country along with providing farm level and post-harvest benefits.

Sankri and Ponnusamy, 2015 has observed that important processes for the formation of FPOs are creating awareness, building confidence, identifying appropriate opportunities and building of technical marketing capacities. The establishment of FPOs provides opportunities through collective production, value addition and marketing. The issues of collective marketing, enhanced market capabilities and financial support must be led by agencies while facilitating the formation of a FPO by Non-government organisation.

Khan and Dhand (2017) examined the role of agricultural marketing societies in marketing of agricultural produce in Ujjain district of Madhya Pradesh. The study found that the farmers were to sell their produce in village to shopkeepers due to non-availability of transport facilities to mandi. The study also highlighted that there was existence of middlemen, false measurement equipment's, uncertainty in future and lack of information made farmers less interested in agriculture marketing societies.

Krishna *et al.* (2018) in his study found that FPOs have the ability to influence the decision-making process related to developmental activities, service system and farmers can be made more accountable by giving access to latest technology and market. The major constraints found in the study were the lack of capital, post-harvest infrastructure, trained managerial cadre. Study concluded that extension strategies should involve public, private agencies and NGOs in development of small farmers.

Manaswi *et al.* (2018) conducted a study with the objective of examining the status and growth of Farmer Producer Organizations across states and its performance using the discriminant functional analysis between high and low performing states. Study found that Karnataka, Madhya Pradesh, Tamil Nadu and West Bengal were the major states having highest number of FPOs. Study also observed that Karnataka have the highest no. of FPOs along with that maximum number of mobilised farmers were also registered in the state followed by Madhya Pradesh. Author concluded that the growth of FPO is not uniform among the states only four states Karnataka, Madhya Pradesh, Tamil Nadu and West Bengal has more than 50 per cent growth rate.

Kakati and Roy (2018) conducted a study on scope of entrepreneurship in farmer producer company of Assam with the objective of understanding the status of farmer producer company in Assam. State has agrarian economy with majority of the farmers have small and marginal land ownership which affects the agriculture production. Author has evaluated status of farmer producer company using financial and business efficiencies, member economics and financing schemes. Author found out in the study that FPOs have high turnover but they have less gross profit margin, working capital has not been maintained in the prescribed ratio which is 2:1. Author concluded that FPOs have to maintain current ratio and debt equity ratio. Financial support from government, enrolling of new members are some of the suggestions recommended in the paper.

Charyulu *et al.* (2019) have studied about the status of FPO in Andhra Pradesh with the objective of understanding the status, initiatives and strategies for setting-up of FPOs. Author has used simple average tabular analysis to summarize the result. Study has found that focal person of FPO is aware about the roles of Producer Organization Promoting Institutions (POPIs) and nearly half of them are only aware of the roles of Resource Support Agency (RSA) in setting up of the FPOs which shows that the concept of FPO and roles of various stakeholders has not yet percolated at the grass-root level, some of the proposed FPOs have planned to include 'small and marginal farmers' as their 100 per cent members rest other FPO has proportionated of '50 per cent to 99 per cent' in their membership coverage, FPO's focal person does not have awareness about new technology, value addition opportunities. Issues observed were the lack of business planning, inadequate knowledge about the resource agency, absence of primary level processing and lack of backward and forward integration. Author suggested that FPO need to include professionals for business planning, transparent functioning of FPO, providing bank credit at district and mandal level.

Rao (2019) study aimed on the status of FPO in Telangana. Author has used Null hypothesis (NABARD has been unable to make any contribution to rural development through FPOs in Telangana) and Alternate hypothesis (NABARD has a multitude of sustainable contributions for rural development in Telangana). After observation it has been found that alternate hypothesis is correct which states NABARD plays a crucial role in development of FPO. Author concluded that FPO needs capital, internal leader without any departmentalisation, value addition at primary level which will create more employment opportunity.

Dubey *et al.* (2021) concluded in his review paper the general status of FPO in India is becoming important for converting Krishi into Atmanirbhar Krishi. The lack of access to forward linkages, less production quantities, lack of assured market, supply chain, lack of quality inputs, credit facilities and advanced technologies demands huge structural and transformational changes for farmers. FPO can provide their member with low-cost quality input, develop social capital with improved gender relations and women's empowerment with decision making ability. FPO is promoted under the scheme "one district one product" for product specialization and better branding, marketing, processing and exports. Poor contract compliance by buyer or seller with low accountability, and the limitation of procuring from the area of a particular market's jurisdiction are the issues which needs to be encountered. FPOs has greater transparency and traceability, hence are better placed for speedier and effective dissemination of government welfare schemes or other in-kind grant support to its member farmers. FPO can act as alternative marketing channel for perishables but with customized warehouses like small pack houses.

### **Research Methodology:**

The Multi stage Purposive sampling technique has been used for the study. Both the Primary and secondary data has been used for the study. Primary data has been collected from well-structured interview schedule which is pre tested having chronbach alpha value of 0.72 which is found to be acceptable. Data has been collected from the administrators of the FPOs. The secondary data was collected from the Small Farmers Agribusiness Consortium, National Bank for Agriculture & Rural Development, Annual report of National Association of Farmer Producer Organization, Madhya Bharat Consortium of Farmer Producer Company Limited and various business reports submitted by them.

As per the Ministry of Corporate Affairs, there are 24,183 Farmer Producer Companies registered till March 31, 2023. Out of these, 23,354 have an "Active" status. However, as per the information updated on the SFAC website, SFAC has promoted 2014 FPOs under the scheme till April 27, 2023. As per the report, 205 FPOs were registered under this scheme. Nearly 6 % of the FPOs are registered in Madhya Pradesh. Till 2020, 237 FPOs were registered as companies in

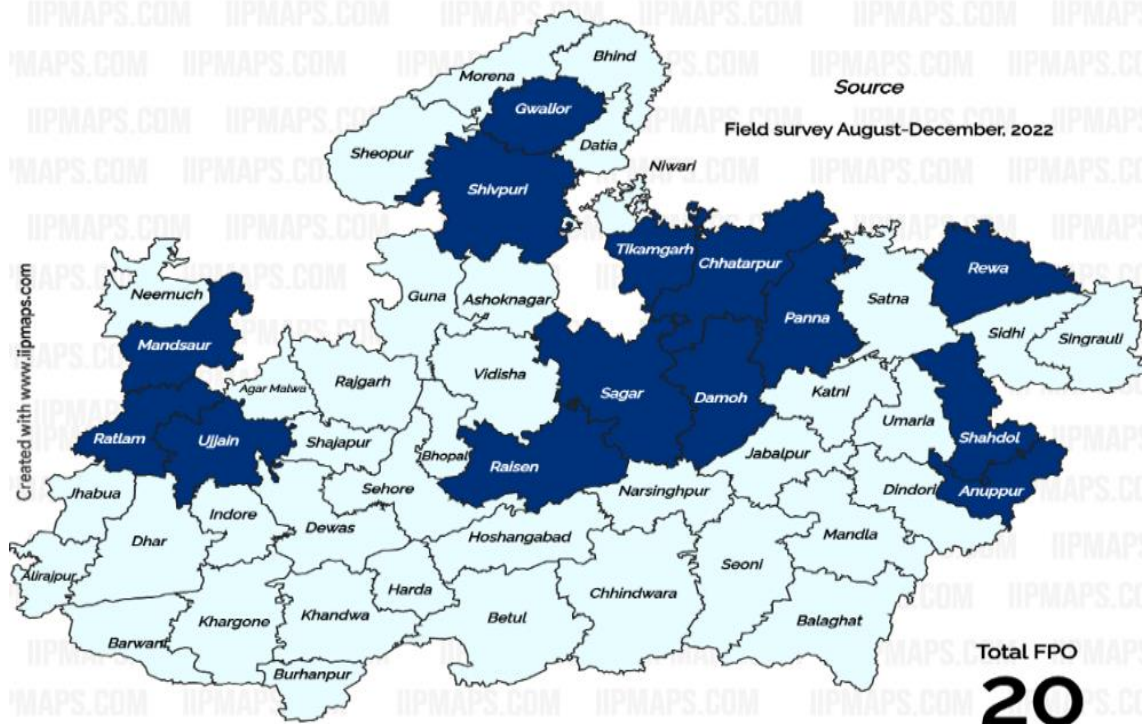
Madhya Pradesh. Madhya Pradesh was the first state to utilize amendments done in Producer Company Act in 2005-06 under Madhya Pradesh-District Poverty Initiative Program funded by World bank and M.P. under State Rural Livelihood Mission. (Tagat and tagat, 2016; Sharma. 2022). As per the Press Information Bureau of India in March 2022 Karnataka (578), Maharashtra (569), Madhya Pradesh (550) and Telangana (460) are the states having largest no of FPOs.

As per the Central Sector Scheme of “Formation and Promotion of 10,000 FPO’s” National Project Management Agency along with the Implementing Agency will select Cluster Based Business Organization (CBBO) in every state. SFAC has released the list of Empanelled CBBO in 2020-21 in which Madhya Pradesh has 6 CBBO which are Action for social advancement (79 FPO’s), Arunodaya Sarveshwari Lok Kalyan Samiti, Integrated Socio-Economic Development Services (29 FPOs), Kamdars Agro Research and Development, Krushi Vikas Va Gramin Prashikshan Sansthan (12 FPOs) and Madhya Bharat Consortium of Farmer Producers company Limited (189 FPOs). Out of 6 CBBOs “Madhya Bharat Consortium of Farmer Producers Company Limited” has been purposively selected for study on the basis of number of FPOs, it is sole CBBO which is also mother FPO in the state, includes some of the nation’s oldest FPO having wider area of operation in state. Out of 189 FPO, 20 FPO have been purposively selected for study on the basis of minimum turnover of Rs 2 lakhs, recommendation from CBBO team, performance, response and communication. These 20 FPOs lies in 14 districts of the state. Further the 20 FPO has been divided into “Incubation or Nascent” which are 1-5 years of age, “Growing or Emergence” i. e 6-10 years of age and “Mature” stage FPOs they are above 10 years. The same classification has been used by Verma, 2020 in its report presented to NABARD.

**Table -List of FPOs selected for study**

S.No	Name of FPO/FPC	District	Registration No.	Registration year	No of Shareholder
<b>Nascent FPOs</b>					
1	Hatta Ajivika Mahila Kisan Producer Company Limited.	Damoh	U01100MP2021PTC055048	2021	310
2	Damoh Mahila Kisan Producer Company Limited	Damoh	U01100MP2021PTC055144	2021	310
3	Begamganj Atmanirbhar Kisan Producer Company Limited	Raisen	U01100MP2021PTC055844	2021	400
4	Bajna Women Agro Producer Company Limited.	Ratlam	U01100MP2021PTC057528	2021	310
5	Jatara Mahila Kisan Producer Company Limited	Tikamgarh	U01100MP2021PTC056524	2021	820
6	Mandsaur Agro Industry Produce Company Limited	Mandsaur	U01100MP2021PTC057206	2021	310
7	Somnadi Farmer Producer company Limited	Shahdol	U01100MP2021PTC056847	2021	559
8	Chambal Agro Producer Company Limited.	Gwalior	U01100MP2019PTC049677	2019	360
<b>Growing or Emerging FPOs</b>					
9	Ratlam Adivasi Kisan Producer Company Limited	Ratlam	U01400MP2012PTC029222	2012	1634
10	Jaisinghnagar soya samridhhi producer company limited.	Sagar	U01400MP2015PTC035020	2015	1300
11	Digora crop producer company limited	Tikamgarh	U01403MP2014PTC032424	2014	410
12	Kalisindh Farmer Producer Company Limited	Ujjain	U01403MP2015PTC034895	2015	1500
13	Kapildhara Kisan Producer Company Limited.	Shahdol	U01400MP2015PTC034806	2015	1500
14	Jaisinghnagar Farmer Producer Company Limited.	Shahdol	U01400MP2015PTC035008	2015	100
15	Birsinghpur Farmer Producer Company Limited.	Shahdol	U01403MP2016PTC035160	2016	1000
16	Vindhyanchal Crop Producer Company Limited.	Rewa	U01100MP2016PTC041097	2016	1056
<b>Mature FPOs</b>					
17	Nowgaon Agriculture Producer Company pvt Limited	Chattarpur	U51497MP2006PTC018643	2006	1040
18	Hardol Agriculture Marketing and Producer Company Pvt Ltd	Shivpuri	U51101MP2006PTC018624	2006	2163
19	Karnavati Agri Producer Company Limited	Panna	U01403MP2006PTC019113	2006	3240
20	Luvkush Crop Producer Company	Raisen	U51101MP2006PTC018418	2006	1700

## Districts of selected FPOs



## Results and Discussion

### 1-Demographic profile of CEO and Board of Directors

Age	Age of CEO and Board of Directors					
	Nascent		Growing		Mature	
	Freq	Percent	Freq	Percent	Freq	Percent
20-30 years	8	20.0	4	10.0	1	5.0
31-40 years	21	52.5	11	27.5	9	45.0
41-50 years	7	17.5	23	57.5	6	30.0
above 50	4	10.0	2	5.0	4	20.0
Total	40	100.0	40	100	20	100

Table 1.1 Authors own compilation from field survey 2022

The table 1.1 illustrates the age distribution of administrators across different categories of FPO. Majority of the administrators belong to the age group of 30-40 years (52.5%) followed by 20- 30 years (20%) ,40-50 years (17.5%) above 50 years (10%) is least in Nascent FPO. In Growing FPO majority of the administrators belong to age group of 40-50 years (57.5 %) followed by 30-40 years (27.5%). While in Mature FPO majority of them belong to 30-40 years of age.

Table 1.2 Gender profile of CEO and BoD						
Gender	Nascent FPO		Growing FPO		Mature FPO	
	Freq	Percent	Freq	Percent	Freq	Percent
Male	19	44.2	38	80.9	8	80.0
Female	24	55.8	9	19.1	2	20.0
Total	40	100.0	40	100.0	20	100.0

Authors own compilation from field survey 2022

Table 1.2 that majority of the administrators are Female contributing to 55.8 per cent of the administrators in Nascent stage because of the scheme introduced by central and state government stating the need to promote women led FPOs (Maurya and Mehta, 2021; Harrington, 2023). while majority of the administrators are male in growing and mature FPOs i.e. 80.9 per cent and 80 per cent respectively (Ashby ,2009). It can be concluded from the results that women are active participants in FPCs and play an important role within them. In rural areas, women became active members of the board of directors, increasing their economic and socio-political influence significantly resulting in gender empowerment in rural areas.

Table 1.3 Number of BoD and CEO						
Designation	Nascent FPO		Growing FPO		Mature FPO	
	Freq	Percent	Freq	Percent	Freq	Percent
CEO	7	17.5	5	12.5	4	20.0
Sales officer	1	2.5	3	7.5	0	0
Board of Director	27	<b>67.5</b>	32	<b>80.0</b>	16	<b>80.0</b>
Promoter	5	12.5	0	0	0	0
Total	40	100.0	40	100.0	20	100.0

Table – 1.3 Authors own compilation from field survey 2022

As shown in the table 1.3, key personnel are distributed among the different designations within Nascent, Growing, and Mature FPOs. As part of the Nascent FPO, there are 27 members of the Board of Directors (BoD), 7 CEOs, 5 Promoters and 1 Sales Officer. FPOs of growing stage has 32 BoDs, 5 CEOs and 3 Sales Officers. Mature FPOs has 16 BoDs and 4 CEOs. It is interesting to note that Promoters do not have representation in growing and mature FPO as the concept of promoter has been introduced in new policy by central government.

Table – 1.4 Operational experience in managing FPO						
Operational Experience in managing FPO	Nascent		Growing		Mature	
	Freq	Percent	Freq	Percent	Freq	Percent
Less than 5 years	40	<b>100.0</b>	2	5.0	1	5.0
5-10 years	0	0	38	<b>95.0</b>	9	45.0
above 10 years	0	0	0	0	10	<b>50.0</b>
Total	40	100.0	40	100	20	100

Table- 1.4 Authors own compilation from field survey 2022

As shown in table 1.4 it can be interpreted that 100 per cent of the respondents has operational experience of less than 5 years in nascent category while in growing FPO majority of the respondents has experience of 5-10 years (95%). In mature FPO majority of the respondents has experience of more than 10 years.

Table 1.5 Educational qualification of CEO and BoD						
Educational qualifications of CEO and BoD	Nascent		Growing		Mature	
	Freq	Percent	Freq	Percent	Freq	Percent
Less than 10th standard	7	17.5	14	35.0	1	5.0
Senior secondary	18	45.0	13	32.5	11	55.0
Graduation	7	17.5	7	17.5	4	20.0
Post Graduation	8	20.0	6	15.0	4	20.0
Total	40	100.0	40	100.0	20	100.0

Table- 1.5 Authors own compilation from field survey 2022

Table 1.5 infers the educational qualification of the CEO and BoD. 45 per cent of the respondents has education level up to senior secondary followed by less than 10<sup>th</sup> standard (17.5 %) and graduation (17.5%) in nascent FPO. In growing FPO 35 per cent of the respondents has education of less than 10<sup>th</sup> class followed by senior secondary school 32.5 per cent. While in mature FPO 55 per cent of them has schooling up to senior secondary school followed by graduation (20%) and post-graduation (20%). Most of the CEOs are well qualified and have post-graduation degree.

Table 1.6 Villages Covered by FPO						
Villages Covered by FPO	Nascent		Growing		Mature	
	Freq	Percent	Freq	Percent	Freq	Percent
Less than 10	5	12.5%	5	12.5%	0	0
11 to 20	30	<b>75%</b>	0	0	<b>10</b>	<b>50%</b>
21-30	5	12.5	12	30	0	0
above 30	0	0	23	57.5	10	50.0
Total	40	100.0	40	100.0	20	100.0

Table- 1.6 Authors own compilation from field survey 2022

Table 1.6 reveals that 75 per cent of administrators of nascent stage agrees that they have added shareholders from 11-20 villages in their FPO while 12.5 per cent administrators says that they have added shareholders from less than 10 villages and 12.5 per cent agrees to have shareholders from 21-30 villages. In growing FPO 57.5 per cent of administrators agrees that they have added shareholders from more than 30 villages while 30 per cent agrees that they have covered shareholders from 21-30 villages and 12.5 per cent says that they have shareholders from less than 10 villages. In mature FPOs 50 per cent of the administrators says that they have shareholders from more than 30 villages and 50 per cent agrees that they have shareholders from 11-20 villages.

<b>Table 1.7-Annual turnover</b>						
<b>Annual turnover</b>	<b>Nascent</b>		<b>Growing</b>		<b>Mature</b>	
	Freq	Percent	Freq	Percent	Freq	Percent
<b>Less than Rs 20 Lakhs</b>	<b>15</b>	<b>37.5</b>	5	12.5	0	0
<b>Rs 20-40 Lakhs</b>	5	12.5	12	30.0	0	0
<b>Rs 41-60 Lakhs</b>	10	25.0	0	0	5	25.0
<b>Above 60 lakhs</b>	10	25.0	<b>23</b>	<b>57.5</b>	<b>15</b>	<b>75</b>
<b>Total</b>	40	100.0	40	100.0	20	100.0

*Table-1.7 Authors own compilation from field survey 2022*

Table 1.7 reveals that in nascent category of FPOs 37.5 per cent has turnover of less than Rs 20 lakhs, 25 per cent of administrators agrees to have turnover above Rs 60 lakhs, 25 per cent assures that they have annual turnover in between of Rs 41 to 60 lakhs, 25 per cent believe that they have turnover of less than 20 lakhs. Majority of the FPOs administrators in growing stage stated that they have annual turnover of more than Rs 60 lakhs while 30 per cent of the said that they have turnover in range of Rs 20-40 Lakhs. In the Mature stage FPOs has turnover of more than above Rs 60 lakhs followed in the range of Rs 41-60 lakhs.

<b>Table 1.8 Area of Specialization</b>						
<b>Area of Specialization</b>	<b>Nascent</b>		<b>Growing</b>		<b>Mature</b>	
	Freq	Percent	Freq	Percent	Freq	Percent
<b>Cereal</b>	<b>25</b>	<b>62.5</b>	<b>40</b>	<b>100%</b>	<b>15</b>	<b>75</b>
<b>Pulses</b>	5	12.5	0	0	0	0
<b>Oilseeds</b>	5	12.5	0	0	5	25
<b>Livestock and Horticulture</b>	5	12.5	0	0	0	0
<b>Total</b>	40	100	40	100	20	100

*Table -1.8 Authors own compilation from field survey 2022*

From the above table 1.8 it can be inferred that majority of the FPOs in all three categories are specialized under cereal crops i.e. 62.5 per cent and 75 per cent respectively in Nascent and Mature FPOs while growing FPOs has 100 per cent dedicated to production of cereal crops. Oilseeds are the second most widely used crop for the production by Nascent and Mature stage FPOs i.e. 12.5 per cent and 25 per cent respectively. Pulses, livestock and horticulture are adopted by 12.5 per cent administrators respectively that too from Nascent stage FPO. Newly formed FPOs are trying diversity of enterprises to mitigate risk and increase income.

<b>Table 1.9 Institutional Support</b>						
<b>Institutional Support</b>	<b>Nascent FPOs</b>		<b>Growing FPOs</b>		<b>Mature FPOs</b>	
	<b>RSA</b>	<b>POPI</b>	<b>RSA</b>	<b>POPI</b>	<b>RSA</b>	<b>POPI</b>
<b>NGO</b>	<b>20</b> (50%)	10 (25 %)	5 (12.5%)	<b>35</b> (87.5 %)	5 (25%)	<b>10</b> (50 %)
<b>MBCFPCL</b>	0	<b>20</b> (50 %)	0	0	5 (25%)	0
<b>NABARD</b>	10 (25%)	10 (25 %)	0	5 (12.5 %)	0	0
<b>SFAC</b>	10 (25%)	0	<b>22</b> (55%)	0	0	0
<b>SRLM</b>	0	0	13 (32.5%)	0	<b>10</b> (50)	<b>10</b> (50%)
<b>Total</b>	40	100	40	100	20	100

*Authors own compilation from field survey 2022 figures in parenthesis are percentage*



Table 1.9 states that Nascent stage FPOs are mostly got resource from NGO as compare to NABARD and SFAC which is only 25 per cent for both of them. FPOs which are in growing stage has mainly got resource support from SFAC i.e. 55 per cent whereas 50 per cent of Mature stage FPOs got support from State Rural Livelihood Mission. For most of the FPOs of nascent stage MBCFPCL has been acting as POPI while in growing stage FPOs are promoted by NGO and in mature stage FPOs are being promoted by SRLM. NGO-Action for Social Advancement has been working with these FPOs. FPOs which are being promoted by SRLM are state promoted which got the fund from state government during the initial stage of their formation. (Verma,2020; Charyulu et al, 2019; Dubey et al 2021; Singh & Singh, 2013).

Table 2.1 Age profile of shareholders						
Age	Nascent		Growing		Mature	
	Freq	percent	Freq	percent	Freq	percent
<b>Less than 20 years</b>	1	1.3%	3	3.8%	0	0%
<b>21-30 years</b>	32	40%	17	21.3%	4	10%
<b>31-40 years</b>	<b>33</b>	<b>41.3%</b>	<b>32</b>	<b>40.0%</b>	12	30%
<b>Above 40 years</b>	14	17.5	28	35.0%	<b>24</b>	<b>60%</b>
<b>Total</b>	80	100.0	80	100.0	40	100

*Table-2.1 Authors own compilation from field survey 2022*

From the table 2.1 it can be stated that majority of the shareholders belong to the age group of 31-40 years in nascent followed by 40 per cent belong to 21-30 years of age group and in growing FPOs 40 per cent belong to 31-40 years of age group followed by 35 per cent are above 40 years respectively. While in mature stage FPOs most of the respondents belong to above 40 years of age group which is 60 per cent. The same result has been obtained by Kumar, 2020.

Table 2.2 Gender profile of shareholders						
Gender	Nascent		Growing		Mature	
	Freq	percent	Freq	percent	Freq	percent
<b>Male</b>	37	46.3%	<b>46</b>	<b>57.5%</b>	<b>39</b>	<b>97.5%</b>
<b>Female</b>	<b>43</b>	<b>53.8%</b>	34	42.5%	1	2.5%

*Table 2.2 Authors own compilation from field survey 2022*

Table 2.2 states that there are 53.8 per cent of female shareholders in nascent FPO (Maurya and Mehta, 2021; Harrington, 2023) while in other two categories of FPO i.e. growing and mature there are mostly male shareholders i.e. 57.5 per cent and 97.5 per cent respectively.

Table 2.3 Education of Shareholders						
Education	Nascent		Growing		Mature	
	Freq	percent	Freq	percent	Freq	percent
less than 10th standard	<b>42</b>	<b>52.5 %</b>	<b>26</b>	<b>32.5%</b>	<b>15</b>	<b>37.5%</b>
10th- 12th	17	21.3 %	24	30.0%	13	32.5%
Graduation	15	18.8 %	23	28.8%	10	25%
Post Graduation	6	7.50 %	7	8.8%	2	5%

*Table 2.3 Authors own compilation from field survey 2022*

From table 2.3 it can be inferred that in nascent FPO 52.5 per cent of the shareholders have education below than 10<sup>th</sup> standard followed by 21.3 per cent of them have education in between of 10<sup>th</sup> to 12<sup>th</sup> class. In growing FPO 32.5 per cent of them have education less than 10<sup>th</sup> standard which is being followed by 10<sup>th</sup> to 12<sup>th</sup> class. And in mature FPO 37.5 per cent have education less than 10<sup>th</sup> standard followed by 10<sup>th</sup> to 12<sup>th</sup> standard at 32.5 per cent.

Table 2.4- Type of Farmer						
Land Size	Nascent		Growing		Mature	
	Freq	percent	Freq	percent	Freq	percent
<b>Marginal</b>	<b>40</b>	<b>50%</b>	25	31.3%	4	10%
<b>Small</b>	18	22.5%	<b>33</b>	<b>41.3%</b>	<b>20</b>	<b>50%</b>
<b>Semi-medium</b>	15	18.8%	17	21.3%	14	35%



<b>Medium</b>	6	7.5%	4	5%	2	5%
<b>Large</b>	1	1.3%	1	1.3%	0	0

**Table 2.4 Authors own compilation from field survey 2022**

Table 2.4 refers that in nascent FPO 50 per cent of the shareholders marginal farmers followed by 22.5 per cent of them are small farmers. In growing FPOs 41.3 per cent of the shareholders are small farmers followed by 31.3 per cent of them are marginal farmers. While in mature FPO 50 per cent of them are small farmers and 35 per cent of them are semi-medium farmers. The table shows that over the years the land size has been declining which is making farming more vulnerable.

<b>Table -2.5 Land type of shareholders/farmers</b>						
<b>Type of Land</b>	<b>Nascent</b>		<b>Growing</b>		<b>Mature</b>	
	<b>Freq</b>	<b>percent</b>	<b>Freq</b>	<b>percent</b>	<b>Freq</b>	<b>percent</b>
<b>Irrigated</b>	<b>53</b>	<b>66.3</b>	<b>46</b>	<b>57.5</b>	<b>31</b>	<b>77.5</b>
<b>Un-irrigated</b>	9	11.3	14	17.5	3	7.5
<b>Both</b>	18	22.5	20	25.0	6	15.0

**Table 2.5 Authors own compilation from field survey 2022**

Table 2.5 states that 66.3 per cent of shareholders has irrigated landholding in nascent FPO followed by 22.5 per cent of them has both irrigated and un-irrigated land holding. In growing FPO 57.5 per cent has irrigated land holding while 25 per cent of them has both irrigated and un-irrigated land holding. In mature FPO 77.5 per cent has irrigated land holding and 15 per cent has both types of land holding.

<b>Table – 2.6 Income source of shareholders/farmers</b>						
<b>Income source of shareholders</b>	<b>Nascent</b>		<b>Growing</b>		<b>Mature</b>	
	<b>Freq</b>	<b>Percent</b>	<b>Freq</b>	<b>Percent</b>	<b>Freq</b>	<b>Percent</b>
<b>Agriculture</b>	<b>50</b>	<b>62.5%</b>	<b>50</b>	<b>62.5%</b>	<b>31</b>	<b>77.5%</b>
<b>Agriculture + Business</b>	18	22.5%	16	20%	3	7.5%
<b>Agriculture + Service</b>	12	15.0%	6	7.5%	6	15%
<b>Others</b>	0	0	8	10%	0	0
<b>Total</b>	80	100%	80	100%	40	100%

**Table- 2.6 Authors own compilation from field survey 2022**

Table 2.6 predicts the primary source of income by shareholders. 62.5 per cent shareholders of nascent FPO agriculture are the primary source of income followed by 22.5 per cent pursue agriculture along with business. In growing FPO agriculture is the primary source of income which is adopted by 62.5 per cent of shareholders whereas 20 per cent of them has business along with agriculture. In mature FPO 77.5 per cent of them has agriculture as primary source followed by 15 per cent of them is in service sector.

<b>Table-2.7 Shareholders /Farmer mobilization</b>						
<b>Shareholders /Farmer mobilization</b>	<b>Nascent</b>		<b>Growing</b>		<b>Mature</b>	
	<b>Freq</b>	<b>Percent</b>	<b>Freq</b>	<b>Percent</b>	<b>Freq</b>	<b>Percent</b>
<b>Government functionary</b>	11	13.8%	0	0	3	7.5%
<b>NGO</b>	21	26.3%	30	37.5%	0	0
<b>Another member</b>	<b>25</b>	<b>31.3%</b>	11	13.8%	<b>19</b>	<b>47.5%</b>
<b>KVK</b>	2	2.5%	0	0	0	0
<b>FPO Staff</b>	21	26.3%	<b>39</b>	<b>48.8%</b>	18	45.0%
<b>Total</b>		%		%		%

**Table 2.7 Authors own compilation from field survey 2022**

Table 2.7 dictates the mobilization of shareholder/farmer. In nascent FPO 31.3 per cent of shareholders has been motivated by “another member” or relatives followed by NGO (Kumar, 2020) and FPO staff has equally motivated the shareholders i.e. 26.3 per cent. In growing FPO 48.8 per cent of them has been motivated by FPO staff followed by NGO. In mature FPO 47.5 per cent of them has been motivated by another member followed by FPO staff i.e. 45 per cent.

<b>Table – 2.8 Reasons to join FPO</b>							
<b>Reason to join FPO</b>	<b>Nascent</b>		<b>Growing</b>		<b>Mature</b>		
	<b>Mean</b>	<b>Rank</b>	<b>Mean</b>	<b>Rank</b>	<b>Mean</b>	<b>Rank</b>	
To buy quality input at lower prices	1.65	VI	3.75	III	3.35	IV	

Local Resource Utilization	4.75	II	5.00	I	4.65	II
To Improve Market Linkages	2.51	V	3.13	V	2.65	V
To Increase Income	3.55	III	3.25	IV	2.00	VI
To utilise group fund	5.06	I	4.75	II	4.80	I
To save time in Input Procurement and product Marketing	3.06	IV	1.12	VI	3.62	III

**Table – 2.8**Authors own compilation from field survey 2022

Table 2.8 infers that to utilise group fund (Mean=5.06), Local Resource Utilization (Mean=4.75) and to increase income (Mean=3.55) (Kumar, 2020) are the top three reasons which motivated farmers/shareholders of nascent stage to join FPO. In growing FPO the top three reasons which motivated farmers to join FPO are Local Resource Utilization (Mean=5.00), To utilise group fund (Mean=4.75) and to buy quality input at lower prices (Mean=3.75). While in mature FPO To utilise group fund (Mean=4.80), Local Resource Utilization (Mean=4.65) and to save time in Input Procurement and product Marketing (Mean=3.62) are the reasons which motivated farmers to join FPO.

<b>Table – 3.1 Performed Activities</b>						
<b>Activities</b>	<b>Performing</b>			<b>Non-Performing</b>		
	<b>Nascent</b>	<b>Growing</b>	<b>Mature</b>	<b>Nascent</b>	<b>Growing</b>	<b>Mature</b>
Organizing farmers into farmer interest group (FIGs)	35 (87.5)	32 (80)	15 (75)	5 (12.5)	8 (20)	5 (25)
Training of leader and farmer member to nurture FIGs	30 (75)	40 (100)	20 (100)	10 (25)	0	0
Provide exposure to members for practicing modern farming practices.	30 (75)	40(100)	15 (75)	10 (25)	0	5 (25)
Extension supports to farmer member.	25 (62.5)	32 (80)	15 (75)	15 (37.5)	8 (20)	5 (25)
Developing supply channel for input services.	35 (87.5)	40 (100)	15 (75)	5 (12.5)	0	5 (25)
Linking clusters with market players.	25 (62.5)	40 (100)	15 (75)	15 (37.5)	0	5 (25)
Developing production clusters for producing significant amount of marketable surplus	30 (75)	40 (100)	15 (75)	10 (25)	0	5 (25)
Dissemination of marketing information	30(75)	40 (100)	20 (100)	10 (25)	0	0
Primary processing	10 (25)	25 (62.5)	20 (100)	30 (75)	15 (37.5)	0
Packaging and standardization	15 (37.5)	30 (75)	20 (100)	25 (62.5)	10 (25)	0
Financial and credit services	5 (12.5)	5 (12.5)	10 (50)	35 (87.5)	35 (87.5)	10 (50)
Produce storage	25 (62.5)	35 (87.5)	20 (100)	15 (37.5)	5 (12.5)	0
Transportation	15 (37.5)	22 (55)	20 (100)	25 (62.5)	18 (45)	0
Trade	35 (87.5)	35 (87.5)	20 (100)	5 (12.5)	5 (12)	0
Custom hiring centre	0	5 (12.5)	0	40 (100)	35 (87.5)	20 (100)
Technical advisory services	25 (62.5)	23 (57.5)	20 (100)	15 (37.5)	17 (42.5)	0
Conduct of meetings	35 (87.5)	40 (100)	20 (100)	5 (12.5)	0	0
Aggregation and storage facility	20 (50)	40 (100)	20 (100)	20 (50)	0	0
Value addition	15 (37.5)	27 (67.5)	15 (75)	25 (62.5)	13 (32.5)	5 (25)
Legal services	15 (37.5)	17 (42.5)	10 (50)	25 (62.5)	23 (57.5)	10 (50)

Authors own compilation from field survey 2022

Figures in bracket are percentage

Table 3.1 shows the status of activities undertaken by Nascent stage FPO. Organizing farmers into Farmer Interest groups (87.5%) showcasing their efforts to foster cooperation and collaboration among farmers, they aim at bringing farmers together; large portion of nascent stage FPOs conduct meetings (87.5 %) demonstrating their commitment to communication, decision-making, and collective planning; developing supply channel for input services (87.5%) assuring timely access to inputs and fair market opportunities for farmer members and trade (87.5 %) are the majorly performed activities. Financial and credit services (87.5 %) and primary processing (75 %) are the

least performed activities. None of the FPOs performs the activity of custom hiring centre indicating a potential gap in providing mechanization services to farmers.

In the Growing category of FPOs training of leader and farmer member to nurture FIGs, provide exposure to members for practicing modern farming practices, developing supply channel for input services, linking clusters with market players, developing production clusters for producing significant amount of marketable surplus, dissemination of marketing information, conduct of meetings, aggregation and storage facility are the activities which are performed 100 per cent by all FPOs. Custom hiring centre, Financial and credit services are least performed activities i.e. 87.5 per cent of FPOs. The Mature stages FPOs perform all most all activities except Custom hiring centre (100 %) followed by legal services (50 %) and Financial & credit facilities (50 %) (Khushwaha *et al*, 2023)

## Conclusion

**Nascent FPOs-** Nascent FPOs are mainly managed by the young administrators showing the female leadership. Mostly having education up-to senior secondary which mainly operates in 11-20 villages. These are mainly dealing with the cereals crop. SFAC deals with A FPO at the incubation stage, or nascent stage, is struggling to establish its basic operations, and therefore requires significant institutional and handholding support, not only for mobilization of farmers, but also to build their capacity for management and governance (through training and exposure visits, etc.) Register the entity, assist in the establishment of proper systems and processes, and develop a business plan. These are newly formed FPOs which is 1-5 years of age.

**Growing FPOs-** Growing FPO 80.9 % of male respondents belong to age group of 40 -50 years having experience of less than 5 years. The CEO and BoD In growing FPO has operational experience of 5-10 years being operational in 30 villages mostly having above Rs 60 lakh turnover which are dealing in cereals. NGOs are acting as their POPI while SFAC act as mainly their resource supporting agency. Most of the Shareholders are male having less than higher secondary of education dependent on agriculture and has land in between of 1-2 hectare which is irrigated. Majority of them has been motivated by FPO staff and “local resource utilization” was the motivating reason to join FPO. Growing FPOs majorly performs activity like training of leader and farmer member to nurture FIGs, provide exposure to members for practicing modern farming practices, developing supply channel for input services, linking clusters with market players, developing production clusters for producing significant amount of marketable surplus, dissemination of marketing information, conduct of meetings, aggregation and storage facility. While the activities like custom hiring centre and financial & credit facilities are not performed by FPOs. A primary goal in this stage of emergence and growth is the establishment of a basic infrastructure, the acquisition of equity support, the implementation of the business plan, the institutionalization of credit access, and the allocation of funds for operating expenses. These FPOs are 6-10 years of age.

**Mature FPOs-** Majority of the administrators are young and mostly are male having experience of more than 10 years and has passed only senior secondary. Majority of them are being operational in more than 30 villages having turnover of above 60lakh specialized in production of cereals. These are being promoted by NGO and State rural livelihood mission. Shareholders are above 40 years of age having less than higher secondary education having irrigated land area of 1-2 ha dependent on agriculture. The motivating reason was to “to utilize group fund”. They perform most of the activities except credit support and custom hiring center. The expansion of a business marks the maturity stage of the life cycle of an FPO as it strives to reach financial and operational sustainability. During this stage, the organization aims to improve quality by introducing new technology and mechanizing operations, and requires financing to establish processing units, processing/grading/sorting yards, go-downs, cold storage areas, and transportation facilities. These FPOs are above 10 years of age. These FPOs needs to be promoted in a cluster mode so that centralized services such as agricultural machinery bank, testing, processing, storage and packing facilities etc are created with government support at a focal point in the cluster. “FPOs give small farmers bargaining power in the market place, enable cost effective delivery of extension services, and empower the members to influence the policies that affect their livelihoods

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