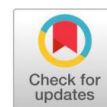


Research Article**Open Access**

Constraints of Farmer Producer Organizations (FPOs) members in Rayalaseema region of Andhra Pradesh

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The present research study was conducted in the Anantapuramu and Chittoor districts of the Rayalaseema region of Andhra Pradesh state during the year 2020-2021 over a randomly drawn sample of 240 FPO members. The main objective of the study was to unearth the constraints faced by the FPO members and elicit their suggestions for the effective function of FPOs. The findings revealed that irregular supply of inputs to the FPO members (97.91%) was the major constraint faced by the majority of the FPO members followed by poor collective marketing of the produce (96.66%), absence of value addition and processing facility (95.41%), lack of credit facility (91.66%) and lack of coordination among members (90.83%) were the constraints expressed by FPO members. Regarding suggestions collective marketing of the produce (95.04%) followed by increased awareness about FPO among the FPO members (95.00%), credit facility to the members (93.33%), government support (89.59%), timely supply of inputs (87.50%) and information system should be improved (85.83%) were the suggestions expressed by the FPO members.

Keywords: FPO, Members, Constraints, Suggestions, Business plan, Value addition, Marketing, Rayalaseema region and Andhra Pradesh

Introduction

Agriculture has played an important role in the development of human civilization, which is shaped by collective experiences, traditional knowledge, and culture. It is the backbone of India's economy and the source of livelihood for 54.6 per cent of the population. However, the share of the agriculture sector to the GDP has kept declining from 50 per cent in 1950 to 15.4 per cent in 2015-16. The reason behind the declining GDP is the numerous problems faced by the farmers; from low production/productivity to storage, lack of farm-mechanization, and problems with irrigation, credit linkage, market

support, bargaining capacity, and uncertain weather conditions. As a business proposition, agriculture provides no assured return on investments, as it is subject to several external factors including natural phenomena that are beyond the control of the farmer. The cooperative movement began in India during the pre-independence era, and the cornerstone of the movement was the collectivization of farmers for empowerment. The concept of mutual dependency and cooperative farming aided into commodity or community-centric groups with common constraints of production and challenges and it is the need of the hour of policy makers to sustain agriculture. An organized commodity or community-centric group such as Farmer Producer Organizations (FPOs) will meet all challenges by encountering the hurdles of production through high technological know-how, capacity building, collectivization of marketing through by-passing middleman, improving market intelligence and value addition to his output.

The Government of Andhra Pradesh has stressed on promotion of Farmer Producer Organizations (FPOs)

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as an important strategy for creating an ecosystem for enhancing farmers' profits. The Government has aimed to bring together 10 lakh farmers through 1,000 FPOs, for this "Rythu Kosam" special project was created in collaboration with ICRISAT and involves agricultural and allied departments. Apart from this APDMP, APRIGP under SERP, and various NGOs are actively involved in the formation and functioning of FPOs in Andhra Pradesh.

The ideology of Farmer Producer Organization (FPO) performs the significant role with the objective of socio-economic development of small and marginal farmers through the collectivization of their ideas, actions and produces and by-passing the market functionaries, thus providing maximum returns. With these objectives, FPOs are drawing the attention of policy makers.

The concept of the Farmer Producer Organization towards the development of small and marginal farmers through self-governance and management is certainly a great achievement in awakening the dormant leadership and managerial skills of members in turn, lead to overall socio-economic empowerment of the rural community. Hence, this study was conducted with the broad objective of finding out the constraints faced by the FPO and their suggestions for the effective functioning of FPOs.

The findings of this study would help the FPO promoting agencies, NGOs, and management of FPO to focus their efforts on further improvement of functioning and services provided by the FPO to its members. The analysis of this study may also cater to the Government agencies to promulgate policies and include them in the budgetary allocations for the welfare of the farmers, as the central government is planning to establish 10,000 FPOs in the coming five years. The above study will also now cause the potential and feasibility of organizing all stake holders of the primary sector to achieve common goals.

Material And Methods

The study was conducted by following *Ex -post facto* research design to assess the constraints faced by FPO members in FPO functioning and services provided by the FPO and elicit their suggestions for the effective functioning of FPOs. This research was conducted in Anantapuramu and Chittoor districts of the Rayalaseema region of Andhra Pradesh during the year 2020, both districts were selected by using a

purposive sampling procedure based on the highest number of FPOs. From each selected district three FPOs functioning for more than three years were purposively selected, thus making a total of 6 six FPOs. From each of the selected FPO, 40 members were selected by administering a simple random sampling procedure, thus making a total of 240 members as the sample of the study.

The FPO members were asked to express their constraints as member after joining FPO. The constraints stated by them were recorded in an open-ended form. The constraints were ranked based on frequency and percentage as expressed by the members. The FPO members were requested to elicit their suggestions for effective functioning of FPO. The suggestions stated them were recorded in an open-ended form. The suggestions were ranked based on frequency and percentage as expressed by the members.

Results And Discussion

Regarding constraints expressed by FPO members, irregular supply of inputs to the FPO members (97.91%) was the major constraint faced by the majority of the FPO members followed by poor collective marketing of the produce (96.66%), Absence of value addition and processing facility (95.41%), lack of credit facility (91.66%), lack of coordination among members (90.83%), poor information regarding activities of FPO to the members (89.58%), poor external linkages (85.41%), supply of insufficient quantity of inputs (80.83%), domination of few people (80.00%), lack of storage and warehouse facilities (78.75%), poor response for training programs and meetings from the members (73.33%), absence of farmer input shop (68.33%), absence of business plan (65.33%), lack of awareness about rules, regulations and functions of FPO members (61.25%), poor services of Custom Hiring Center (55.00%), poor quality of seed and inputs (47.91%), lack of Govt. support (42.50%), absence of CEO/manager for the FPO (32.91%), subsidy amount not releasing in timely (29.58%), political interference (28.33%) were the constraints expressed by FPO members.

Irregular supply of inputs to the FPO members was expressed as the prime constraint by majority (97.91%) of the FPO members. The basic factor of agricultural production is inputs comprised of seeds, fertilizers pesticides, etc. Its time availability at the farmers door step was obligatory in improving the net income and thereby improving the standard of

living; even though members were organized in to the FPO the above critical inputs were in dearth in availability and staggered supply to the members of FPO. A similar constraint was observed by [2].

Poor collective marketing of the produce (96.66%) was the second constraint to the FPO members. The motto of the FPO was oriented towards procuring product-specific output by the members of the organization, but lack of expertise of board members, facilitating agency and disbelief of members on management was the major reason. The panic created by middle men and hoarders compelled the members to panic selling of the produce to syndicate price of middlemen, thus the ultimate benefit of forming the FPO was let down. The results conformed with [7].

Table1: Constraints faced by FPO members

(n = 240)

S. No.	Constraints	Frequency	Percentage
1.	Irregular supply of inputs to the FPO members	235	97.91
2.	Poor collective marketing of the produce	232	96.66
3.	Absence of value addition and processing facilities	229	95.41
4.	Lack of credit facility	220	91.66
4.	Lack of coordination among members	218	90.83
5.	Poor information regarding activities of FPO to the members	215	89.58
6.	Poor external linkages	205	85.41
7.	Supply of insufficient quantity of inputs	194	80.83
8.	Domination of few people	192	80.00
9.	Lack of storage and warehouse facilities	189	78.75
10.	Poor response for training programs and meetings from the members	176	73.33
11.	Absence of farmer input shop	164	68.33
12.	Absence of business plan	158	65.33
13.	Lack of awareness about rules, regulations and functions of FPO members	147	61.25
14.	Poor services of Custom Hiring Center	132	55.00
15.	Poor quality of seed and inputs	115	47.91
16.	Lack of Govt. support	102	42.50
17.	Absence of CEO/manager for the FPO	79	32.91

18.	Subsidy amount not releasing timely	71	29.58
19.	Political interference	68	28.33

The absence of value addition and processing facilities (95.41%) was the next constraint expressed by the FPO members. The reason might be that most of the agricultural produce was perishable or semi-perishable in nature and requires cold storage facility or value-addition process to bargain the best price in the market, in fact facilitating agency could not afford to establish an infrastructural setup for storage and value addition facilities due to financial, technical and land constraints, thereby forcing the farmer to sell his produce to the prevailing market price. This finding was in agreement with the findings of [4][7]. Lack of credit facility (91.66%) was expressed as the fourth constraint expressed by the majority of the FPO members. Rural background of FPO members, lack of knowledge of FPO management to form an agreement with financial institutions, and poor planning of promoting agencies to frame financial set up with banks at the state level to support FPOs. This might be the reason for lack of credit access to all the members of FPO. The finding draws support from the studies of [4][9].

Lack of coordination among members was the next constraint reported by 90.83 per-cent of the FPO members. The human being is a social being. Even after millennia of civilization, Homo erectus had not learned to live in harmony. The facilitating agency had put all efforts and experiences into bringing coordination among the members to achieve common goals of the FPO through capacity-building measures but still a lack of coordination between members due to social, political, economic, cultural, and physical indifferences and members were lost their gains promulgated by facilitating agency. The results were conformed with [1][5].

Poor information regarding the activities of FPO to the members was the next constraint expressed by 89.58 per cent of the FPO members. The reason might be that FPO had only three community coordinators; it was difficult for them to reach the information regarding FPO activities to every village and member in a short period. And also they were busy with membership enrollment, capacity-building activities, and other works of FPO.

Poor external linkages was one of the major constraint reported by 85.41 per cent of the FPO members.

The reason might be that lack of knowledge and awareness of board members as well as facilitating agencies to build forward linkages with consumers, wholesale markets, retail markets, export markets, processing, and value addition of produce. And also lack of established backward linkages such as seed, fertilizer, pesticide, credit, and agri manufacture industries. This finding was in agreement with the findings of [5].

Supply of insufficient quantity of inputs was also one of the major constraints perceived by 80.83 per cent of the FPO members. Poor planning and coordination of FPO staff in taking indent of inputs from FPO members and members' urgency and domination lead to a shortage of inputs. Hence, the above trend was noticed.

Domination of few people was the next constraint perceived by 80.00 per cent of the FPO members. Indian society was dominated by the monarchy, colonial rules, and feudalistic rulers and was recently democratized. The scenario of domination regiment in every aspect of society is also felt in the governance of FPO. A section of people with luxurious social backgrounds dominated FPO in one way or another, influencing management, accounts, financial transactions, and devolution of services and funds. This could be overcome by thorough following of operational guidelines and standard operating procedures of FPO. The findings of the study were in agreement with the results of studies conducted by [8].

Lack of storage and warehouse facilities (78.75%) was the next constraint perceived by FPO members. The reason might be a lack of credit and land constraints and poor planning of the board of management.

The next constraint was the poor response to training programs and meetings from the members was expressed by 73.33 per cent of the FPO members. Illiteracy, education, and poor understanding of the concept of FPO among the FPO members and year-long farm operations in their farm, which made them to poor response for training programs and meetings. The absence of single-stop farmer input shop was the ninth important constraint expressed by 68.33 per cent of the FPO members. Indian agriculture is diverse in nature as of its civilization, which requires various production inputs to be amalgamated for achieving the desired output, for which farmers travel in disarray to procure the input factors like seeds, fertilizer, plant protection chemicals, agricultural credit,

weedicides, irrigation, farm machinery interventions, labour implements, post-harvest management and marketing. An institutional set-up of providing one-stop solution to all factors of production will be a harbinger for Indian farmers.

The other constraint envisaged was absence of business plan was the next important constraint expressed by 65.33 per cent of the FPO members. Similar constraint observed by [4].

The next constraint, lack of awareness about rules, regulations, and functions of FPO members was expressed by 61.25 per cent of FPO members.

Poor services of the Custom Hiring Center was the next constraint, expressed by 55.00 per cent of the FPO members. The main objective of CHC in FPO is to hire improved farm mechanization to needy farmers at the right time and right instance where as the undemocratic leadership, the influence of landlords and access of management of CHC with certain groups of people of high order had deprived it access to FPO members to CHC's services.

Poor quality of seed and inputs was expressed by 47.91 per cent of FPO members. So that the quality of seeds must be enhanced. Similar findings have been reported by [3].

Lack of Govt. support was the next constraint reported by 42.50 per cent of the FPO members. A similar result was observed in the study of [5].

The Absence of CEO/manager for the FPO was also one of the constraints perceived by 32.91 per cent of the FPO members. A farming enterprise is also comparable with an industrial enterprise in meeting the ways of production and means of production. The ignorance of management in the agricultural sector will be as futile as the lack of management in the organized sector. The fulcrum of executive decision drooling right from top to bottom to meet the goal in the organized sector is very much needed in FPO to take accountable, calculative, credible, and trustworthy decisions at right time and the right place for the success of generating higher income of the targeted produce in FPO is inevitable. Therefore the lack of a qualified CEO/Manager in FPO is a prime office structural defect in coordinating all activities. Subsidy amounts not released in a timely was expressed by 29.58 per-cent FPO members. The finding was in agreement with the result of the study

conducted by [6].

Political interference was the last constraint expressed by 28.33 per cent of the FPO members. A Similar result was observed in the study by [1]

Suggestions were given by FPO Members for Effective Functioning of FPO

A list of suggestions given by FPO members for the effective functioning of FPO were presented in Table 2.

The findings of table 2 revealed that the first suggestion to overcome the constraints was collective marketing of the produce (95.04%) followed by increased awareness about FPO among the FPO members (95.00%), credit facility to the members (93.33%), government support (89.59%), timely supply of inputs (87.50%), the information system should be improved (85.83%), farmer input shop (82.91%), Strengthening of business (72.91), Custom Hiring Centre services should be improved (70.41%), a sufficient quantity of inputs should be provided (43.33%) and services delivery should be at village level (30.00%), were the suggestions expressed by FPO members.

Table2: Suggestions given by FPO members

(n = 240)

S. No.	Suggestions	Frequency	Percentage
1.	Collective marketing of the produce	230	95.04
2.	Increase awareness about FPO among the FPO members	228	95.00
3.	Credit facility to the members	224	93.33
4.	Government support	215	89.59
5.	Timely supply of inputs	210	87.50
6.	Information system should be improved	206	85.83
7.	Farmer input shop	199	82.91
8.	Strengthening of business	175	72.91
9.	Custom Hiring Centre services should be improved	169	70.41
10.	Sufficient quantity of inputs should be provided	104	43.33
11.	Services delivery should be at the village level	72	30.00

The majority of the members suggested collective marketing of the produce (95.04%). The main

intention behind the FPO concept was the 'economies of scale' of the production of the members, through the large volume of output members can get good market prices. Further, it also avoids several market intermediaries.

The next suggestion is the majority of the members suggested increasing awareness about FPO among the FPO members (95.00%). Awareness programs help the FPO members to impart the required knowledge, adequate skills and capabilities to run the FPOs efficiently.

The majority of the members suggested that credit facility to the members (93.33%). Credit is one of the prime factors of production, which help the members to carry out the farm operations timely. So FPO should have linkages with financial institutions, thus it will improve the credit orientation of the members. The next valuable suggestion was government support (89.59%) to solve the constraint faced by the members. The effectiveness of FPOs can be enhanced over government support in the form of financial incentives, grants, funds, and subsidies for FPO.

Timely supply of inputs (87.50%) suggested by the FPO members as there should not be any delay in cropping and facilitates timely operations.

The other suggestion given by the FPO members was information system should be improved (85.83%). The information regarding FPO activities and services will be useful to farmers and they will plan to take part in the activities of FPO despite of their busy farm operations.

The suggestion given by the FPO members was one stop farmer input shop (82.91%). It is single window solution for all factors of production so that farmers can avail heap of benefits.

The next valuable suggestion given by the FPO members was the strengthening of business (72.91%). The board of members, members, facilitating agency, and staff of the FPO should try to find out the business opportunities for better sustainability of FPO.

The next appropriate suggestion given by the FPO members was Custom Hiring Centre services should be improved (70.41%), the CHC in-charge and community coordinator should plan the CHC services based on first come first out, without bias to anyone. So that each member of FPO can get equal

opportunity to services based on their order.

A sufficient quantity of inputs should be provided (43.33%), suggested by the FPO members. The staff of the FPO should take proper planning in taking indent from members before the commencement of the season (or) well in advance so that each farmer can get the required quantity of inputs.

Services delivery should be at village level (30.00%) was the last suggestion given by the FPO members because members were busy with their farm occupations and far away from FPO.

Conclusion

Irregular supply of inputs to the FPO members was the major constraint perceived by the majority of the FPO members and Collective marketing of the product was the major suggestion expressed by the majority of the FPO members. Constraints and suggestions as expressed by FPO members should give the most prominence to the FPO promoting agencies, policy-makers, extension agents, administrators, and other developmental institutions working towards improving the effectiveness of FPOs and the development of farming community. Hence, the policy-makers, administrators, and promoting agencies concerned should give top priority to the suggestions to formulate different strategies to overcome the problems faced by FPO members, then each member, group and eventually farming community will be benefitted from FPO services.

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