



## An empirical study on constraints faced by farmers producers organisation in Hassan districts of Karnataka

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### Abstract

The Farmer Producer Company (FPC), which is registered under the Companies Act, is the most effective means to satisfy local farmer needs. The objectives of this paper are to study the challenges faced by the Farmer Producer Organisations and their constituents in Hassan District. For this study, a social research ex-post facto design was employed; the study based is on both primary and secondary sources of data. Primary data gathered through field investigation by the selection of 30 sample respondents from FPO in Hassan District. Secondary data gathered from books, journals articles and e-source. The study found that among the challenges farmers face are a lack of knowledge about cutting-edge agricultural practises, high reliance on middlemen for credit and inputs, a lack of training programmes on advanced cultivation techniques, a lack of remunerative prices, crop failure due to unfavourable climatic conditions, and others. Poor professional management, a lack of funding, a lack of a necessary government price policy, farmer mobilisation, a lack of knowledge of credit requirements and facilities, and a lack of connections with financial institutions are the main challenges faced by farmer's producers organisations (FPOs). The effective performance of FPOs is hampered by a number of issues. Farmers must receive training in processing, grading, and packing techniques. To enable FPO members and office bearers to make wise decisions on time, a suitable capacity-building strategy should be established. Hence Government Should come forward by effective implementation of Atma Nirbar Bharth scheme by effective implementation in the rural areas to improves the agriculture production and productivity of the farmers.

**Keywords:** Farmers producers company, membership fee, innovative technology

### Introduction

The percentage of the nation's GDP that was devoted to agriculture has significantly decreased since 1950, yet the number of people who depend on it has decreased only little. Although it still accounts for roughly 55 percent of all employment, the agriculture industry today makes up close to 13 percent of the global GDP. The Agricultural Census, 2015–16, found that there were over 145 million farm holdings in India. Out of this, 99.85 million were marginal farm holdings, or those with individual operational landholdings smaller than 1 hectare, and another 25.77 million were minor farm holdings, or those with individual operational landholdings smaller than 2 hectares. As a result, in India in 2015–16, the marginal and small agricultural holdings collectively made up a staggering 86.21 percent of all farm holdings. Farmer Producer Organizations (FPO) are finding that the Farmer Producer Company (FPC), which is registered under the Companies Act, is the most efficient way to meet the demands of farmers at the local level. FPCs provide a wide range of advantages over other farmer aggregation types. A reduction in transaction costs can be achieved by FPC members by utilising their collective strength and negotiating power to get access to both financial and non-financial inputs, services, and relevant technologies. Members can also work together to access high-value markets and form collaborations with private companies under fair conditions. Farmer producer organisations registered under the special provisions of the Companies Act, 1956 (as amended in

2002), now known as the Companies Act, 2013, have been identified by the Department of Agriculture and Cooperation, Ministry of Agriculture and Farmer Welfare, Government of India, as the most suitable institutional form of farmer aggregation. The primary goal of encouraging farmers to join member-owned producer organisations, or FPCs, is to increase agriculturalists' output, productivity, and profitability, particularly among small farmers in the nation.

### Materials and Methods

#### 1. Study Area

Karnataka State is one of the top states for FPC establishment and the number of successful FPCs, the study was carried out to find out and analyse the constraints faced by the farmer producer organisations and farmer members in the study area. The primary goal is to examine how Constraints affect functioning of Farmer producer organisations and member farmers.

#### 2. Sampling Procedure and Sample Size

The ex-post facto research design of social research was used for the present study. Three FPOs, namely Chennambika FPO, Mosalehosalli, Hassan, Yagachi Horticulture Former Producer Organization, Hebbala, Belur and Sri Manjunatheshwara- HFPC, Nuggehalli, Chennarayapatnawas selected purposively. Primary data were collected by using a well-structured interview schedule from sample respondents. A total of 30 member farmers

from the functioning area of FPO were randomly chosen to find out constraints perceived by respondents towards functioning of FPO. Thirty farmer members representing the small, marginal, and big categories, two directors, and one employee who works for the company were chosen for the study from each of these chosen companies.

**Results and discussion**

The constraints faced by the farmer members were presented in the table 1. From the table it can be inferred that lack of information on the innovative agricultural practices were the major constraint opined by the sample member farmers. FPO promoting agencies and state agricultural departments/state agricultural universities should take initiative to demonstrate the innovative agricultural practices and it may arrange for field tours in green chilli, potato, coconut, tomato, ginger beans and maize. High dependence on middleman for credit and inputs were the second most constraint opined by the farmer members. FPOs should be strengthened to provide credit-based inputs and market linked credit to the farmers. Lack of training program on advanced cultivation practices was the third most constraint opined by the farmer members. Lack of remunerative prices was the next most constraint opined by the farmers. Since most of the farmers are growing seasonal vegetable crops these are subjected to

high seasonal price fluctuations. Accurate price forecasting on these crops and construction medium sized cold storage facility at FPO level can benefit the member farmers. Crop failure due to the adverse climatic conditions was the next most constraint opined by the farmers, since most of the crops grown under uncontrolled climatic conditions these are subjected to climatic vagaries and losses. Timely dissemination of the weather forecasting information with the use of available technology will help the farmers to avoid crop losses due to vagaries of the weather. Irregular of the inputs from the FPO and lack of transportation for the inputs and for the transportation of the produce to the market is the next most constraint faced by the farmers. Proper planning for the inputs before the crop season and marketing at the FPO level and aggregating and transporting the produce may solve the transportation problems faced by the FPO farmers. Proper information about the activities, roles and functions of the FPO may help to attract more farmers to FPO become a FPO members.

**Constraints faced by members of the farmer producer organization**

Members in the Farmers produce organisation are facing various constraints in the study area. The details constraints faced by the farmers in Hassan District are provided in Table.1

**Table 1:** Constraints faced by members of the farmer producer organization

Sl. No	Particulars	Yes (no)	No (no)	Yes (%)	No (%)
1	Lack of proper transportation	21.00	9.00	70.00	30.00
2	Lack of training programmes on advanced cultivation practices	25.00	5.00	83.33	16.67
3	High dependency on traditional agriculture	15.00	15.00	50.00	50.00
4	Lack of information on innovative agricultural technologies	28.00	2.00	93.33	6.67
5	High dependence on middlemen in rural areas	27.00	3.00	90.00	10.00
6	Crop failure due to adverse climate situation	23.00	7.00	76.67	23.33
7	Lack of extension services from FPO officials	16.00	14.00	53.33	46.67
8	Lack of information regarding newly formed FPOs and their scope	14.00	16.00	46.67	53.33
9	High membership fee	19.00	11.00	63.33	36.67
10	Irregular supply of farm inputs from FPOs	21.00	9.00	70.00	30.00
11	No remunerative price for the produce	24.00	6.00	80.00	20.00

\*Multiple responses were recorded

**Constraints faced by Farmer Producer Organizations**

While setting up the FPOs the Farmers Producer Organizations are facing several constraints the details are shown in Table 2.

**Table 2:** Constraints faced by Farmer Producer Organizations

Sl. No	Particulars	Yes	No	Yes (%)	No (%)
1	Poor Professional Management	27	3.00	90.00	10.00
2	Lack of sufficient finance	26	4.00	86.67	13.33
3	Mobilization of the farmers	24	6.00	80.00	20.00
4	Lack of awareness of the government facilities	21	9.00	70.00	30.00
5	Lack of connection with financial institutions	23	7.00	76.67	23.33
6	Lack of Computer knowledge which makes them unable to derive benefits of the available ICT tools	20	10.00	66.67	33.33
7	Nature of products (perish ability)	26	4.00	86.67	13.33
8	Undeveloped storage facilities	21	9.00	70.00	30.00
9	Undeveloped processing facilities	20	10.00	66.67	33.33
10	Lack of proper practices	23	7.00	76.67	23.33
11	Lack of awareness about packaging	18	12.00	60.00	40.00

\*Multiple responses were recorded

Constraints faced by the farmer producer organisations were recorded and presented in table 2. Poor professional management, lack of finance, lack of needed government price policy, mobilization of farmers, lack of awareness of

credit requirements and facilities and lack of connection with financial organizations, The other constraints listed are lack of timely, cheap and good quality inputs, lack of computer knowledge which makes them unable to derive

benefits of the available ICT tools, involvement of middle men and nature of products (perishability). It can be derived from the above results that by proper training of the FPO board directors, members and CEOs, functioning of FPO and we can bring professionalism in to the management of FPOs. Lack of seed finance and awareness of the sources of obtaining of the credit which make the functioning of the FPO weak, Proper exposure towards sources of finance and training in preparation of the project proposals will help them financial stability and effective functioning of the FPO. Since these FPO are in initial stage of formation and functioning of the FPO, instead of investment of processing, packaging and marketing FPOs may go for bulk buying and selling, contract farming and preagreements on sale price and marketing may help in preventing losses and getting assured benefits to the farmers as well as to the FPOs.

### Conclusion

In the current scenario, FPOs are like a gift to the farmers. It is a perfect recipe for increasing farmers' income and deriving needed benefits from them. There are many factors that act as a hindrance to the good performance of FPOs. Based on the above findings, it can be concluded that need to train farmers in processing, grading, and packaging skills. At the same time, the government should construct more storage and warehouses in the district so that farmers may store their produce for the long term, which was reflected as a major problem by members. The provision of transportation facilities by the supporting agencies also needs to be emphasized in the study area. Financial backup to FPOs must be ensured so that it may facilitate greater technology and practices adoption. Lack of professional management there is a dire need to train the people involved in the functioning of FPOs or recommendation of some qualifications for the office bearers of the FPOs. It will help in the effective management of the FPOs. An appropriate capacity-building method should be adopted, to make FPO members and office bearers capable of making appropriate and timely decisions. Appropriate linkage with the financial institutions and FPO should be strengthened, to promote the establishment of agri-enterprises on a large scale.

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