



Farmers Producer Organization: By Farmers for the Farmers

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Abstract

An FPO is a formal group of farmers with formal membership, status, and specific functions aimed at addressing the particular interests and concerns of its members. Farmers' Produce Organisations (FPOs): FPOs are vital to the enhancement of farmer incomes and capacities through training programmes that concentrate on financial accounting, governance standards, and management practices. Farmers' livelihoods are improved by FPOs through improved market access, productivity, and income opportunities. FPOs enable farmers to attain improved market outcomes and sustainable lives by combining resources, sharing earnings, and taking collective action.

Keywords: FPOs, Agriculture empowerment, Sustainable agriculture, Farmer income improvement.

The assemblage of small farmers as FPOs has helped increase market linkages to improve farmers' income and economic strength. It provides end-to-end services and support to the small farmers and covers marketing, technical services, processing, marketing and other aspects of cultivation inputs. The idea behind the FPOs is that the farmers who are the producers of agricultural products can form groups and register themselves under the Companies Act, 2013. Farmers Producers Organisation (FPO) is a kind of producer organisation whose members are farmers. Farmers Producers Organisation is shortened as FPO. This organisation consists of primary producers such as farmers, milk producers, fishermen, weavers, rural artisans and craftsmen, which offers end-to-end services that encompass nearly every facet of farming, including inputs, technical assistance, processing, and marketing. A producer organisation can be a cooperative society, producer business, or any other legal structure that distributes advantages or profits to its members. Institutions of primary producers may also join PO in certain producer company configurations. In essence, these are private companies and cooperative hybrids. These businesses involvement, structure, and membership structure resemble cooperatives in most respects. Their daily operations and business plans are similar to those of private enterprises that are managed by professionals.

To enable the creation and registration of FPOs under it, Section IX A was added to the Companies Act. The Ministry of Agriculture and Farmers' Welfare has further informed that against the target of 10,000 FPOs, 7,597 FPOs have been registered in 34 States/Union

territories until December 2023. Currently, 3366 FPOs have been registered on the e-NAM platform. The Scheme has a total budget outlay of Rs.6,865.00 crore.

Who owns the FPO

Members of the FPO own the organisation. It is a producer-led organisation that is run by producers, for producers. By assisting the mobilisation, registration, business strategy, and operations of the PO, one or more organisations and/or people may contribute to its promotion. Nonetheless, management is carried out by the member representatives and ownership control is always with the members.

Concept of Farmer Producer Organisations

Farmer Producer Organisations are based on the idea that farmers, who produce agricultural goods, can organise into organisations and register as such under the Indian Companies Act. The Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India, assigned the Small Farmers' Agribusiness Consortium (SFAC) the task of assisting State Governments in the establishment of Farmer Producer Organisations (FPOs) to streamline this process. Enhancing farmers' competitiveness and giving them a greater advantage in new market prospects is the goal. The main activities of the FPO will be the provision of seed, fertiliser, and equipment; connections to markets; networking and training; and financial and technical guidance.

Aim of Farmer Producer Organisations

FPO's primary goal is to guarantee more revenue for producers by forming their organisations. Small producers are not able to take advantage of economies of scale since they do not have the volume, either in produce or inputs. Additionally, a lengthy chain of middlemen in agricultural marketing frequently operates transparently, leaving the producer with a very tiny portion of the value that the final consumer pays. This will be taken out. Aggregation allows the primary producers to take advantage of economies of scale. As large suppliers of inputs and buyers of produce, farmers and producers will also have more negotiating leverage.

Features of FPOs

- A group of producers forms it for use in farm-related or non-farm endeavours.
- It is a legitimate organisation that is registered.
- Owners of the company are the producers.
- It covers commercial operations pertaining to the main commodity or production.
- It functions to the producers who are members' advantage.
- The producers split the portion of the profit.
- The remaining excess is contributed to its own funds to support corporate growth.

Government support

With a clear plan and committed funding, the government has introduced a new Central Sector Scheme called "Formation and Promotion of Farmer Producer Organisations (FPO)" to form 10,000 new FPOs over the following five years to guarantee farmers' access to economies of



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scale. Every FPO receives support for five years following the year of establishment. To create and advance FPOs, three implementing agencies will initially be involved which are

- Small Farmers Agri-business Consortium (SFAC)
- National Cooperative Development Corporation (NCDC)
- National Bank for Agriculture and Rural Development (NABARD).

States may, if they so choose, choose their Implementing Agency after consulting with DAC&FW. Cluster/States will be assigned by the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) to Implementing Agencies, who will then create the Cluster-Based Business Organisation in each State.

Conclusion

Farmer's producer organisations are organisations managed by the farmers to get maximum profit from their produce. Currently, more than 7000 FPOs are working for the betterment of the farmers. These organisations work as cooperatives and help farmers get maximum profits from the produce. The members get the utmost benefit and support from the organization at every stage of the production. The government also provides support to FPOs for better functioning. To increase the efficacy of FPOs, government organisations such as NAFED, NABARD, SFAC, and PACS, among others, provide training and assistance with market participation.

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