

**PROSPECTS AND CHALLENGES OF FARMER PRODUCER
ORGANISATIONS IN SELECTED DISTRICTS OF
MAHARASHTRA**

Project Report

by

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(H-2021-08-ABM)

submitted to



**Dr. YASHWANT SINGH PARMAR UNIVERSITY OF
HORTICULTURE & FORESTRY
SOLAN (NAUNI) HP-173 230 INDIA**

in

partial fulfilment of the requirements for the degree

of

**MASTER OF BUSINESS ADMINISTRATION
(AGRIBUSINESS)**

**DEPARTMENT OF BUSINESS MANAGEMENT
COLLEGE OF HORTICULTURE**

2023

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CERTIFICATE-I

This is to certify that the project report titled, “**Prospects and Challenges of Farmer Producer Organisations in Selected Districts of Maharashtra**”, submitted in partial fulfilment of the requirements for the award of the degree of **Master of Business Administration (Agribusiness)** in the discipline of **Agribusiness Management** to Dr. Yashwant Singh Parmar University of Horticulture and Forestry, (Nauni) Solan (HP) - 173 230 is a bonafide project work carried out by **Fulsunghe Manisha Dilip (H-2021-08-ABM)** daughter of Shri Dilip Fulsunghe under my supervision and that no part of this project report has been submitted for any other degree or diploma.

The assistance and help received during the course of this investigation have been fully acknowledged.

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CERTIFICATE-II

This is to certify that the project report titled, "**Prospects and Challenges of Farmer Producer Organisations in Selected Districts of Maharashtra**", submitted by **Fulsunghe Manisha Dilip (H-2021-08-ABM)** daughter of Shri Dilip Fulsunghe to the Dr. Yashwant Singh Parmar University of Horticulture and Forestry, (Nauni) Solan (HP)–173 230 India in partial fulfilment of the requirements for the degree of **Master of Business Administration (Agribusiness)** in the discipline of **Agribusiness Management** has been approved by the Advisory Committee after an oral examination of the student in collaboration with an External Examiner.

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ACKNOWLEDGEMENTS

This journey has been a peak of challenges and triumphs, and it would not have been possible without the myriad of souls who lent their brilliance and passion to this opus of discovery.

Gratitude is extended to Dr. Kapil Kathuria (Professor and Head), Department of Business Management for his valuable suggestions and affection during entire course of my present studies.

*“A mentor is someone who allows you to see the hope inside yourself”.- Oprah Winfrey.
My Profound personal regards to esteemed teacher and Major Advisor, Dr. Rahul Dhiman (Assistant Professor), Department of Business Management, Dr Y S Parmar University of Horticulture and Forestry, Nauni (Solan), for being an exemplary and visionary mentor.*

Likewise, appreciation to Dr. Piyush Mehta (Associate Professor) and Dr. Chandresh Guleria (Assistant Professor), guiding members of the advisory committee for encouragement, kindness and support.

Much obliged to the brilliant personalities including Dr. Yasmin Janjhua (Associate Professor), Dr. Rashmi Chaudhary (Associate Professor), Dr. Nisha Kumari (Assistant Professor), and the entire staff of the Department of Business Management, College of Horticulture, UHF, Nauni for the collective influence for my academic growth.

To my friends Akashdeep and Salini, my seniors Neha Thakur and Anshumant Sharma, they have been the vibrant threads of support woven into every aspect of this journey. Their encouragement, patience, and love have been the driving force behind my perseverance.

A heartfelt thank you goes to my family for always allowing me to learn things beyond any boundaries and obstacles to achieve more meaning to the real-life essence. As the final notes of this acknowledgement resound, let us embrace the truth that no symphony is complete without the harmonious collaboration of countless souls.

I owe entire responsibility for all the errors and omissions.

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ABBREVIATIONS USED

CEO	:	Chief Executive Officer
CR	:	Crore
<i>et al.</i>	:	<i>et alli</i> (co-workers)
FPO	:	Farmer Producer Organisation
Govt.	:	Government
i.e.	:	that is
km	:	Kilo meter
MACP	:	Maharashtra Agricultural Competitiveness Project
MSAMB	:	Maharashtra State Agriculture Marketing Board
MQS	:	Minimum Quality Standards
NABARD	:	National Bank for Agriculture and Rural Development
NGO	:	Non- governmental Organisation
No.	:	Number
PO	:	Producer Organisation
RRB	:	Rank Based Quotient
Rs.	:	Rupees
Sq	:	Square
SFAC	:	Small Farmers Agribusiness Consortium
Sr. no.	:	Serial number

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INTRODUCTION

1.1 Background

In the 1990s, shortly after liberalisation and privatisation were adopted in Indian agriculture, the state began to demonstrate a withdrawal policy from productive and economic functions. Farmers' well-being suffered significantly as a result, which was swiftly filled by the Argo industry in the private sector. Notwithstanding claims to the contrary, small and medium-sized farmers in India continue to live in poverty. The bulk of farmers in Indian agriculture are small and marginal farmers. 85% of operating properties are smaller than or equal to two hectares, compared to 66% of these holdings that are smaller than that size (Singh 2012).

The percentage of small and marginal farmers operating globally rose from 19% to 44% in 2010-11. Indian agriculture has a far stronger focus on small-land ownership today than it did in the past. Small and marginal farmers are attempting suicide more frequently, which is a sign that they are struggling to make ends meet (National Crime Records Bureau 2011). Liability is typically cited as the immediate source of distress, but underlying problems are connected to agricultural productions' susceptibility to dangers (Reserve Bank of India 2006; Satish 2007).

Under the NITI Aayog, India's Prime Minister, Shri. Narendra Modi, has emphasized doubling farmer income by 2022. To enhance farmers' livelihoods, the NITI Aayog outlined five challenges in a study that was issued in 2015. These objectives include raising production, paying farmers a fair price, emphasizing land titles and leasing, mitigating risk, and concentrating on the eastern region (Chandrasekhar and Mehrotra 2016).

1.2 Producer Organisation

A producer organisation is a formal rural entity made up of people who have come together to improve local production, marketing, and processing in order to increase farm profits (Rondot and Collion 2011). Pricing, agricultural product export and import, agricultural production practices, access to supplies and services, agricultural financing, agricultural production marketing, local processing, and marketing are all governed by Producer Organisation rules.

An organisation, association, cooperative, union, federation, or even a company established to advance the interests of farmers is known as a producer organization (Bijman and Wollni 2008). The primary goal of the producer organisation was to provide services that aided

farmers in their agricultural activities, particularly the selling of agricultural products. (Shylendra 2009) believes that producer enterprises are a creative strategy for satisfying the social demands of bringing small and marginal farmers together, increasing their leverage through collective means, and integrating their livelihoods into lucrative marketplaces while simultaneously resolving the shortcomings of cooperatives.

1.3 Legal Forms of Producer Organisations

Different structures can be used to organise a producer organisation. The potential forms include:

- A Co-operative society
- A Producer company
- A Non-profit society
- A Trust
- A Section 8 company

1.3.1 Producer Organisation as a Co-operative Society

An autonomous collection of individuals who have voluntarily joined forces to address their economic, social, and cultural needs and goals through a jointly owned and democratically run firm is known as a co-operative (Committee for the Promotion and Advancement of Cooperatives, COPAC 1999). Because they organise resources into a critical mass and have forms that allow them to be more community-oriented, cooperative societies are seen as important vehicles for community development (Fairbairn et al. 1991; Wilkinson and Quarter 1996).

In the presence of other structural constraints like small holdings, the lack of bargaining power of small sellers of produce or services, and competition from other forms of organisations, the co-operative form of organisation has been perceived and seen as a means to achieving reduction in poverty and increase in well-being of local people (Birchall 2003). However, cooperatives have allegedly been more unsuccessful than successful throughout the developing world, excluding the very poor and allowed the elite to control these institutions, encouraging divergence rather than equity in rural communities, as was the case with Gujarat's sugar cooperatives (Ebrahim 2000).

Under specific Acts, such as the Individual State Cooperative Societies Act, the Autonomous Cooperative Societies Act, which seems to exist in several States, or the Multi State Cooperative Societies Act, Producer Organisations may be incorporated as cooperative societies.

If some requirements are completed, like the creation of a cooperative society with at least 10 members who are at least 18 years old. It is not necessary to reside in the same town/village, have a minimum of 10 members, etc.

If a registered society belongs to another society and its purpose is to raise money to lend to its members, all of its members must live in the same town, village, or group of villages, unless the Registrar instructs differently, or at least four members must belong to the same tribe, class, caste, or occupation. The last word in the name should be "Limited" if the society is registered with limited liability. A person's status as an agriculturist or as a resident of the same town or village may be determined by the Registrar, and his judgement is final.

1.3.2 Producer Organisation as a producer company

Based on the recommendations of an expert committee headed by renowned economist Sh. Y. K. Alagh, who was tasked with framing legislation that would enable the incorporation of cooperatives as companies and the conversion of existing cooperatives into companies while maintaining the distinctive elements of cooperative business with a regulatory framework similar to that of cooperatives, the concept of producer companies was introduced in 2002 by implementing Part IX A into the Companies Act.

The only people who may own a "Producer Company" are individuals who work in the primary product industry. Members are expected to be "primary producers." A minimum of five and a maximum of 15 directors are required for each producing firm. The board members will choose a full-time CEO. He will function as a former director with no rotation and will be given extensive management powers as approved by the board. The corporation is managed/governed by its members/shareholders, the Board of Directors, and the office holders (Goyal 2020). The eleven items stated in the Act must be present in one or more of the producer businesses' objects. The most significant of these are:

- (a) Production, gathering, purchasing, grading, grouping, handling, marketing, and selling, as well as exporting the primary products of members or importing products or services for their advantage.
- (b) Preserving, drying, distilling, brewing, ventilating, canning, and packing the produce of its members;
- (c) Providing machinery, equipment, or consumables, largely to its members, through manufacturing, sales, or supply. Providing technical or expert advice, insurance, power generation, land and water resource revitalization, promoting mutuality and mutual assistance techniques,

welfare measures, and mutual assistance education are among the additional goals.

1.3.3 Producer Organisation as a Non-Profit Organisation

Those who decide how an organization's assets are used cannot receive cash surplus from a non-profit organisation, either through external regulation or internal governance (Hansmann 1980). Certain ownership rights, such as those for resources with a direct use, are available to non-profit boards, but not others, such is the right to profit from such resources or the ability to sell such rights to third parties for a profit (Ben-Ner and Jones 1995).

A non-profit organisation is characterised as a group of people (often not legally bound) who have voluntarily joined forces in order to consult, make decisions, and work towards a shared objective. These shared objectives include what are known as eligible objectives. Any of the following eligible objectives can be registered for by the society:

- a) awarding grants for humanitarian aid;
- b) creating a fund for military orphans;
- c) advancing literature, science, in certain states, like Delhi and Gujarat, qualifying reasons include fine arts, etc.,
- d) welfare and other purposes in some states, such as Delhi and Gujarat are eligible purpose. A person must be at least 21 years old, pay the membership price outlined in the Society's bylaws, and not be bankrupt or mentally ill in order to join a Producer Organisation that was established as a non-profit organisation.

1.3.4 Producer Organisation as Trust

Trust is defined as the transfer of property by the owner to another for the benefit of a third party, with or without the owner. Trust is of two types, Public and Private. Private trust is not intended for commercial activities they are mainly for charitable and religious purpose. Benefitting Public charity trusts are known to the general public or to a sizeable segment of the general public. Benefits under private trust are quite particular.

For one or more of the following objectives, a Producer Organisation (PO) may be registered as a Trust: alleviation of poverty or distress; education; youth development; medical relief; provision of facilities for recreation; even other spare- time activities in the interest of social welfare and public benefit; and/or advancement of any other objective for general public utility, other than religious teaching or worship. The trusts can raise money through donations, gifts, grants, and/or loans, just like non-profit organisations can. The revenue of a Producer Organisation (PO) registered as a trust is exempt from income tax if it was established for charitable reasons.

1.3.5 Producer Organisation formed as section 8 company

Section 8 Companies are businesses that were created specifically to further business, the arts, science, religion, charity, or any other worthwhile endeavour. The PO needs to fulfil the following conditions in order to become a Section 8 company:

- A public limited corporation must have a minimum of seven shareholders and two shareholders, respectively;
- A public limited corporation must have three directors and a private limited business must have a minimum of two directors;
- Every director must obtain a DIN (Director Identification Number);
- The PO must have at least one director who has a digital signature;
- Memorandum of Association;
- Article of Association.

Wide range of activities, exemption from using the words Private Limited or Limited, members/owners easily transfer ownership in shares and interests, uniform law throughout the nation, preference in foreign funding over others due to strict disclosure norms and regulatory provisions under the Companies Act, 1956, and the Foreign Contribution Regulation Act, recognition of Section 8 Companies by the Central and State Governments in various Schemes were implemented by them.

1.4 Mechanism of Doubling the Farmers Income through Farmer Producer Organisation

The foundation of Farmer Producer Organisations is the notion that farmers who produce agricultural goods might band together and register as corporations under the Indian Companies Act. Small Farmer's Agribusiness Consortium (SFAC) has been given a mandate by the Department of Agriculture and Cooperation, Ministry of Agriculture, Government of India, to support state governments in the establishment of Farmer Producer Organisations (FPOs).

Enhancing farmers' competitiveness and giving them an advantage over new market prospects are the main objectives. The "Year of Farmer Producer Organisations" was declared to be 2014, and the idea is gradually gathering momentum. The FPOs' primary activities include market linkages, training, networking, financial and technical guidance in addition to seed, fertilizer, and machinery.

In response to the difficulties faced by marginal and small farmers, a variety of initiatives have arisen. The first approach is assisting marginal and small farmers in taking collective action. The most typical sort of farmer collective, agricultural cooperatives, were created by the Co-operative Credit Societies Act of 1904; nonetheless, cooperatives have too many restrictions that prevent efficient collective activity.

1.5 Benefits of FPOs for the Members

1.5.1 Better farm income

By first determining demand and then purchasing in bulk, an FPO can ensure a higher farm income for its producer members. Furthermore, by transporting in bulk, transportation costs can be controlled, lowering the sum total of production costs. The FPO may also combine the produce from all of its members and sell it in bulk for a greater price per unit of produce.

1.5.2 Provision of market information

Information about the market the FPO can also give producers market information so they can hold onto their produce until prices rise. The revenue of primary producers will rise as a result of all these interventions. Many FPOs offer workshops, conferences, field days, and focus group sessions as ways to educate their members, among other things. Information can also be found in printed materials such as newsletters, brochures, and websites.

1.5.3 The Benefits of scale

Collective ordering and purchase can help organisations with big membership bases deliver certain common commodities to their members at a lesser cost. Smallholder agriculture had the least ability to meet stringent food safety and quality standards due to scaled-back economies in ordering, transportation, and large-scale purchases of agricultural inputs like seed, fertilizer, pesticides, agricultural equipment, and so on behalf of their members. The main cause was smallholder-dominated agricultural systems' inability to satisfy the high standards for food quality and safety set by markets in wealthy nations. While there are some instances of effective group action in India's fishery and spice export industries, it has been absent in many other fields, most notably horticulture (Deininger and Sur 2006).

1.5.4 Allow for vertical integration

Producer-owned businesses served as excellent illustrations of vertical integration based on horizontal coordination of farmers as initiators because they showed how cooperating farmers in the upper echelons of the food chain could significantly increase their countervailing power and establish ownership if they could obtain stringent quality standards, reliable financing, loyalty, and

trust in their businesses (Gábor and Szabó 2009).

1.5.5 Guarantee Market Access

The purchase of members' products ensures market access, and transportation is comparable to the inbound logistics activity performed by industrial groups. The purchasing activity also includes quality control and pricing of raw materials. The FPOs' typical value-adding operations are covered by consolidation and processing. Consolidation focuses on bulking up and storing the produce so that it can be sold at a later time for a profit, whereas processing aims to increase the value of a product by changing its form and/or structure.

The advantages of farmer organisation for market access were particularly obvious in the high transaction cost vegetable sector. Farmers who produced an undifferentiated commodity like maize had less motivation to organise because the transaction costs connected with market access were relatively low. Farmer organisations can nonetheless benefit their members by offering other services even while they do not clearly gain from access to undifferentiated commodities markets (Hellin et al. 2009).

1.5.6 Improve Market and Customer Relations

Building solid, long-lasting relationships with consumers from various industries is essential if you want to be a trustworthy market partner. Strong contracts and agreement with them are also necessary. To communicate market signals to members, impact manufacturing decisions, and specify FPO supply conditions are required for market information to make commercial judgements.

Through producer organisations, small producers were able to make strategic investments to gain access to agro industrial markets where their output was more profitable by establishing more complex contractual relationships with prospective buyers and evaluating the distributional effects of lowering transaction costs in order to give small farmers better market access. They discovered that those with more land, more education, and better organisation are better able to handle the complexity of the new contractual arrangements when new marketing opportunities arise (Mbeche and Dorward 2014).

1.6 Status of Farmer Producer Organisations (FPOs) in India

The Government has started the Central Sector Scheme "Formation and Promotion of 10,000 FPOs" with a sanctioned budget lay of Rs. Six thousand eight hundred and sixty-five crores to form and promote 10,000 new FPOs until 2027-28. The scheme uses a Produce Cluster Area approach to form and promote FPOs. The formation of FPOs will be focused on "One District One

Product" for the growth of product specialization while using a cluster-based approach. Each block is given one FPO at first. So far, Implementing Organisations have been assigned a total of 4609 fresh FPOs produce clusters for the formation of FPOs, with a total of 632 FPOs registered.

Table 1.1 : Detail of Producer Companies for the year 2020, state wise

State	Number of Producer Companies
Andhra Pradesh	147
Arunachal Pradesh	15
Assam	87
Bihar	221
Chandigarh	1
Chhattisgarh	32
Delhi	7
Gujarat	108
Haryana	257
Himachal Pradesh	7
Jammu & Kashmir	10
Jharkhand	70
Karnataka	195
Kerala	53
Madhya Pradesh	237
Maharashtra	1056
Manipur	26
Meghalaya	1
Mizoram	4
Nagaland	6
Orissa	177
Puducherry	1
Punjab	13
Rajasthan	114
Tamil Nadu	241
Telangana	119

Tripura	8
Uttar Pradesh	654
Uttarakhand	14
West Bengal	184
Grand Total	4065

Source: Ministry of Agriculture and Farmers Welfare 2020

In India as of March 31, 2020, the country's total number of FPOs was around 4065. There are FPOs in the country that are not yet registered, as well as FPOs that are in the process of becoming registered. Small Farmers Agribusiness Consortium (SFAC) promotes all FPOs in the country, and these FPOs are financed by the National Bank for Agriculture and Rural Development (NABARD). The technical support of the FPOs is provided by Producer Organisation Promoting Institutions (POPIs) for the first year, after which the management of the system is handed over to the 12 respective FPOs' management committees.

Maharashtra has the highest number of FPO which is 1056. Which one sided comprises of 25% of the whole FPO present in India. The total no of FPO present in Maharashtra is 1056 (2021-2023). Which consist of FPOs promoted by NABARD, Nabkisan pvt. Ltd., State Farmers Agriculture Consortium (SFAC), Maharashtra State Agriculture Marketing Board (MSAMB), World Bank, Japan poverty reduction fund and self-promoted FPO, Followed by Uttar Pradesh (654 FPOS) Haryana (257 FPOs) and Tamil Nadu (241 FPOs). As shown in the table 1.1.

1.7 Status of FPOs in Maharashtra

There are 1056 Farmer Producer Organisations in Maharashtra. Their primary responsibilities include selecting the crop to be grown based on market demand, setting up transportation options, purchasing inputs in bulk, and distributing the products of member farmers among members in order to ensure economies of scale and the removal of middlemen in the marketing channel. Table 1.2 lists the number of FPOs in districts of Maharashtra.

Table 1.2 : Status of Farmer Producer Organisations in Maharashtra

Sr. No.	Districts	FPO
1.	Ahmednagar	39
2.	Akola	18
3.	Amravati	34
4.	Aurangabad	46
5.	Beed	36
6.	Bhandara	06
7.	Buldhana	33
8.	Chandrapur	03
9.	Dhule	20
10.	Gadchilori	00
11.	Gondia	05
12.	Hingoli	13
13.	Jalgao	23
14.	Jalna	24
15.	Kolhapur	33
16.	Latur	38
17.	Mumbai	06
18.	Navi Mumbai	00
19.	Nagpur	13
20.	Nanded	20
21.	Nandurbar	09
22.	Nashik	48
23.	Palghar	00
24.	Parbhani	17
25.	Pune	85
26.	Raigad	00
27.	Ratnagiri	07
28.	Sangli	22
29.	Satara	30

30.	Sindhudurg	04
31.	Solapur	42
32.	Thane	05
33.	Usmanabad	45
34.	Wardha	11
35.	Washim	11
36.	Yavatmal	27

Source: List of Farmer Producer Organisations in Maharashtra by MSAMB 2021

Out of 1056 total FPOs, 773 FPOs were registered, Pune tops the list with 85 registered FPOs, followed by Nashik with 48 FPOs, Aurangabad with 46 FPOs, Usmanabad with 45 FPOs, respectively, as shown in the table 1.2.

1.8 Objectives of the Study

- To study the present scenario of Farmer Producer Organisations in selected districts of Maharashtra.
- To study the impact of government schemes on Farmer Producer Organisations in selected districts of Maharashtra.
- To identify challenges faced by Farmer Producer Organisations in selected districts of Maharashtra.

1.9 Summary

This introduction provides an overview of Farmer Producer Organisations (FPOs) in India, focusing on the state of Maharashtra. It highlights the challenges faced by small and marginal farmers and the government's efforts to enhance their livelihoods through FPOs. Different legal forms of FPOs, such as co-operative societies and producer companies, are discussed. The study's objectives include examining the current status of FPOs in selected districts of Maharashtra, assessing the impact of government schemes, and identifying challenges faced by these organizations. The research aims to explore the potential of FPOs in improving farmers' income and market access.

REVIEW OF LITERATURE

A review and evaluation of past research work relevant to the current study has been attempted in this chapter. Farmer Producer Organisations were the subject of a relatively small number of research (FPOs). Under the following headings, an account of previous research work related to the study of farmer organisations is presented:

2.1 Studies on describing Producer Organisations

2.2 Studies on need for Producer Organisations

2.3 Studies on Financial aspects of FPOs

2.4 Studies on Market Readiness

2.1 Studies on describing Producer Organisations

Rondot and Collion (2001) in their study made an attempt for producer organisation. Producer Organisations, are a type of entity that has united together freely and formally with the goal of improving their socio-economic condition by increasing agricultural income through production, joint marketing, and minimal processing at the local level. Such organisations engage in strategies such as collective bargaining, which results in fair and remunerative pricing; international activities, which include farm product export and import.

Bijman and Wollni (2008) the producer's definition an organisation is a group that was formed to advance the interests of farmers. These groups can be associations, societies, cooperatives, unions, federations, or even businesses. The producer organization's principal objective was to offer services to help farmers with their farming operations, including the sale of their output.

Gábor and Szabó (2009) based on the horizontal coordination of farmers as initiators, it was reported that these organisations are excellent models for vertical integration. It is important to note that government assistance alone cannot resolve the challenges faced by farmers due to market imperfections and dairy chain coordination, but it does seem crucial for developing producer groups, such as co-operatives, to be able to establish themselves. They closed by emphasizing the relevance of Western European (Danish, Dutch, etc.) familiarities as well as the need for more 16 producer-owned institutions in Hungary, such as co-operatives and producers' groups.

Shylendra (2009) producer company was defined as a new solution to the flaws in cooperatives' operations as well as to the social needs of aggregating small and marginal farmers,

enhancing their leverage through collective methods, and integrating their livelihoods into lucrative markets.

Tagat (2017) reported in his study that The Indian government recently pledged \$34 million in funding for the establishment of a "Producers Development and Upliftment Corpus" (PRODUCE) under the National Bank for Agricultural and Rural Development (NABARD). In the backdrop of India's enormous predominance of smallholder agriculture, this article investigates the possible function of Farmer Producer Organisations (POs; and more broadly, Producer Organisations). In order to illustrate how "PRODUCE" might close any gaps in the history of producer collectives in India, we look at a number of POs that have developed in recent years, both with and without NABARD funding.

2.2 Studies on need for Producer Organisations

Trebbin and Hassler (2012) claimed that producer firms provided a way for smallholder farmers to organise and benefit from cooperative action as well as connections to emerging high-value marketplaces in India's cities. According to their research, the Indian government works to encourage groups of primary farmers to connect with corporate clients while also supporting private enterprise agriculture activities. The development of farmer organisations into more corporate and market-oriented institutional forms can be examined via the perspective of producer businesses. It serves as a tool for smallholder farmers to organise themselves, benefit from cooperative activity, and establish connections to the growth of high-value markets in Indian cities.

Bhosale (2014) in his research, over two lakh farmers are members of 260 FPOs supported by the Small Farmer Agribusiness Consortium (SFAC). Aside from these 260 FPOs, another 350 are in the process of being registered. According to Pravesh Sharma of the Small Farmers Agribusiness Consortium (SFAC), FPOs at higher levels will be able to take advantage of human resources 17 expertise through recruiting specialists, as well as technology. In 2014, SFAC would open seven state-level FPOs in West Bengal, Gujarat, Rajasthan, Uttarakhand, and Madhya Pradesh.

Trebbin (2014) according to his research, there is opportunity for producer companies in India to join contemporary retailer supply chains, but very few have done so thus far. One way to explain this is the incompetence of the production companies. A relevant language could be inserted in the producer company legislation once it has been tested in the field. At the same time, in order to spark the attention of corporate customers, Indias' food retail legislation may in the future contain a requirement that a specific percentage of fresh fruit be acquired from farmer

cooperatives.

Harrington (2019) seeks to educate industrial policies and strategies to assist the development of nascent, developing, and mature FPOs, as well as conventional- digital FPO capabilities in specific geographical contexts. An institutional-socially responsible supply network stages model is created by combining the stages of emergence for FPOs and supply networks to assist explain supply network evolution in terms of a portfolio of resource-efficient technology interventions. In diverse development-launch-supply scenarios, FPOs and their network partners can compare the implications of traditional and digital process technologies on supply network designs and business models with those of current supply models.

2.3 Studies on Financial Aspects of FPOs

Bhattacharjee (2010) it was determined that producer companies could be made sustainable over the long term by providing adequate support by the donor agency, creating a supportive environment, and easing capital constraints. In addition, producer companies based on commodities could potentially diversify their businesses, add value, and integrate with both input and output markets.

Joglekar (2016) in his studies, there is a concern of accountability in terms of output- the finances and agenda are provided by SFAC, but the implementation is handled by CSOs (civil society Organisations). Another significant project is NABARD's PODF (Producer Organisations Development Fund), which provides funding of up to 50 crores to qualified producer companies. This, too, is subject to the requirement that they hold the companys' assets as collateral. However, this would limit enterprises who do not have assets or are in the early stages of establishing their business.

Yadav et al. (2018) studied FPOs in Chhattisgarh. Their main occupation was crop and fruit production. They were taking input in wholesale rate. It was found that, Rs. 7.15 lakh and Rs. 6.08 lakh were the average authorized capital and paid-up capital of the selected FPOs respectively. The average contribution per member was estimated at Rs. 1110. The average yearly turnover was discovered to be Rs. 15 lakhs, and all FPOs saw earnings collapse (2016–17). Government assistance in the form of funding should be made accessible when the PCs are still in their early stages.

Murray (2019) in his research financed community-based agriculture projects with a social orientation and a good commercial plan were studied. While institutions are inclined to consider sponsoring POs, the obstacles remain considerable. Oiko Credit has a long history of

sponsoring 18 agricultural projects (many of which are cooperatives) throughout Central Asia, Eastern Europe, Latin America and Africa.

Singh and Pordhiya (2019) claims that the majority of Indian farmers are worried about declining farm productivity, decreased resource use efficiency, and decreased farm income. Farmer Producer Organisations (FPOs), which operate under the tenets of economies of scale and collective action, have emerged as a promising avenue for easing some of these difficulties. 240 respondents were gathered from four districts of the Madhya Pradesh FPOs (M.P.) for this study, which examined the socioeconomic and sociopsychological traits of FPO members in light of the aforementioned facts.

2.4 Studies on Market Readiness

Hellin et al. (2009) have argued that the high transaction costs of the vegetable industry made the advantages of farmer organisations for market access more obvious. Because market access was very inexpensive, there was less motivation for farmers who produced homogenous commodities like maize to organize. Vegetable-selling farmer organisations received a very little portion of the price paid by customers. Low product volumes and low profit margins meant that continued subsidies were probably required to pay for operating expenses. However, the farmer organisations that sell vegetables in El Salvador and Honduras only receive a very little portion of the ultimate consumer price. Poor product volumes and poor profit margins indicate that continued subsidies are likely required to pay operating expenses. Farmer organisations can nonetheless improve the welfare of its members by providing other services, even while they do not clearly gain from access to undifferentiated commodities markets. The fundamental advantage of farmer organisations in the instance of La Frailesca is that they make it easier to get agricultural inputs like financing and seed. If farmers want to escape poverty in the future, they might need to look for fresh ways to enhance or differentiate their products. The Vasundhara Agri-Horti Producer Company (VAPCOL) case study demonstrates how producer companies, by conducting value-adding processes and generating economies of scale in output marketing, can assist smallholder farmers and underserved rural communities in positioning themselves in a more competitive market environment and in establishing trading relationships with contemporary retail companies. The marketing risk was decreased as well as transaction expenses by selling bigger volumes to a bigger buyer.

Saitone and Sexton (2010) examined the effects of a producer organizations' imposition of Minimum Quality Standards (MQS) within the authority of a marketing order or other relevant

law. We created a model that considers the fundamental truths of agricultural production and is based on the most recent economics research on MQS. Because MQS generally results in two sources of deadweight loss—the well-known effect resulting from wastage of low-quality product that cannot be sold and a previously unstudied effect resulting from excessive product transformation or quality enhancement—they can never increase social welfare in the perfect-information environment of this model. This latter societal cost will frequently be substantial in comparison to the loss from product waste. The distributional consequences of a MQS can also be significant. All customers in the market will suffer from any MQS that a competitive industry willingly implements based on a profit criterion in the perfect-information situation.

Javier and Cavero (2012) argued that small producers through producer group By forming more intricate contractual agreements with potential customers, organisations were able to make strategic investments to acquire access to agro-industrial markets where their produce was more valuable. In order to give small farmers in the Peruvian Highlands access to better market prospects, they investigate the distributional implications of cutting transaction costs. They discovered that individuals that have more land, are better educated, and are well-organized are able to deal with the complexity that the new contractual arrangements involve when new marketing opportunities appear. Although this generally means an increase in small farmers' net income, it also has an impact on how profits are distributed, leading to a more divided small farmer economy. Complementary policies must be implemented in order to counterbalance this effect and lessen inequity in the chances available to small farmers who are less well-off. In addition to increasing the chances that the less fortunate small farmers will boost their chances of accessing the agro industrial markets, lowering transaction costs through the promotion of producer organisations will also increase their net incomes once they were able to enter these markets.

Trebbin and Hassler (2012) in conclusion, Kabini Organics Producer Company has assisted farmers in the production of premium organic cotton, which was reliant on a seed supply alternative to the Bt cotton industry's mainstay. These farmers overcame the shortage of seeds by organising into a producer company, which enabled them to obtain organic certification. Through a series of initiatives that assisted farmers access previously untapped or inaccessible sources of finance and funding to stabilise their living conditions, the producer business has been of considerable assistance to its members.

Trebbin (2014) discovered in his research that there is potential for manufacturer companies to join the supply chains of contemporary retailers in India, but that only a small number

of them have done so thus far. On the one hand, this can be attributable to the producer businesses' limited capacities. Experience to date suggests that a mixed promoter consortium of NGOs, input suppliers, and potential buyers might be a feasible option to ensure a balance of interest between welfare and business orientation of producer companies when it comes to the organisations that are best suited to promote producer companies. A corresponding clause might be incorporated into the producer firm legislation after being tested in the real world. The law governing food retail in India may one day contain a provision requiring a specific proportion of fresh fruit to be purchased from farmer groups in order to spur increased interest and incentive among corporate customers. However, it is important to emphasise that other effective FPOs should be regarded equally and that producer firms are not the sole option for collective action in India.

2.5 Summary

This chapter reviews previous research on Farmer Producer Organisations (FPOs) in India, focusing on the following topics:

- FPOs are entities formed to improve farmers' socioeconomic conditions through joint marketing, production, and minimal processing, as well as collective bargaining and international activities, according to studies.
- FPOs are required because, according to research, they give smallholder farmers in Indian cities access to high-value markets and the chance to participate in cooperative action.
- Financial Aspects: Studies show that donor agency support, a conducive environment, and capital are essential for FPOs to be long-term sustainable.
- Market Readiness: The effectiveness of FPOs depends on their ability to act as change agents, network effectively, and communicate clear market signals to members.

Overall, the research indicates that FPOs have potential to enhance farmers' livelihoods and that they need cooperation and support to be implemented successfully.

MATERIALS AND METHODS

It is essential to follow a systematic and scientific procedure in order to achieve the objectives of the study. The study area, sampling procedure, data sources, analytical tools and techniques used.

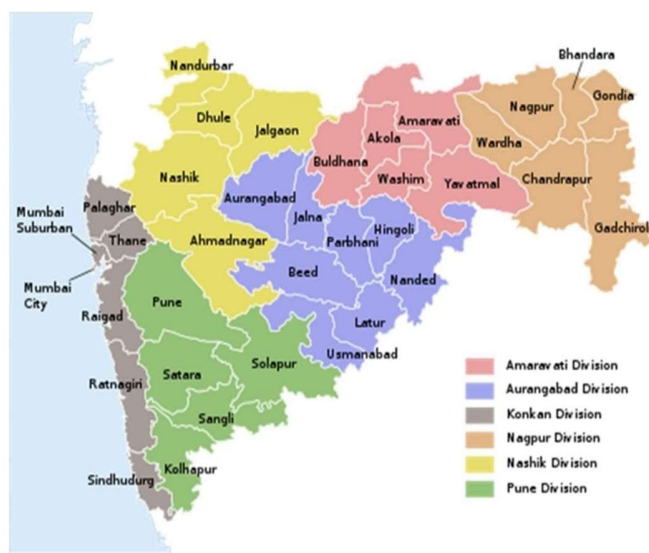
3.1. Research Design

Exploratory research design was used to attain the objectives of the study.

3.2. Area of Study

Maharashtra is a state in western India that covers the maximum area of the Deccan Plateau. Maharashtra is India's second most packed state. Maharashtra is India's third-largest state by area, covering 307,713 sq km (118,809 sq miles). Its primary source of income is agriculture. It is the majority of people's livelihood. Both food and cash crops are farmed throughout the state. Among the most significant crops are rice, jowar, bajra, wheat, lentils, turmeric, onions, cotton, sugarcane, and a variety of oil seeds like, peanut, sunflower, and soybean. Mangoes, bananas, grapes, and oranges are the most popular fruits grown in the state's large tracts of land devoted to fruit growing.

Figure 3.1 : Map of Maharashtra showing area of study



Source: Government of Maharashtra 2023

3.3 Collection of Data

The data and information required for the study was collected from primary and

secondary sources.

3.3.1 Primary Data

Primary data was gathered by conducting surveys in the study locations. The research was of survey type and so immense importance was given to technicalities of constructing a schedule, sampling method, interviewing the respondents (Farmer Producer Organisation) FPO, tabulation of data and the statistical techniques to analyse data. For conducting the analysis, the collected data was correctly organised and saved.

3.3.2 Secondary Data

Collection of secondary data was done from records maintained by NABARD, Small Farmers Agribusiness Consortium (SFAC) and Producer Organisations Promoting Institutions (POPI) of the concerned FPOs regarding details of FPOs. Besides these, magazines, journals, books, papers and the websites of numerous departments and institutes were also used as sources.

3.4 Research Instrument

A research instrument consists of schedule, the answers were be filled by the researcher herself.

3.5 Survey

Separate Schedule was prepared for FPO. Detailed discussion with FPOs were done for data collection in the survey.

3.6 Sampling Units

- a) FPO-20
- b) FPO officials- 20 (1 from each FPO)
- c) FPO Farmers- 100 (5 from each FPO and 25 from each district)

3.7 Sampling Frame

After research got clear vision about sample frame in Maharashtra. Sampling frame consisted of 20 FPOs. Sampling type was purposive sampling because the district was selected on the basis of highest number of FPOs as compared to other districts of Maharashtra and for farmers, convenience sampling method was used. Data was collected as per the convenience of the farmer and their availability.

3.8 Selection of Sample and Data Collection

3.8.1 Selection of Districts

Out of 36 districts in Maharashtra, only four districts that are Usmanabad, Aurangabad,

Nashik and Pune were selected purposively for the study on the basis of the presence of maximum number of FPOs in the states as these districts had approximate 30% of the total FPOs in the state.

Table 3.1 : Total number of FPOs in each selected district

Sr.no.	Districts	No. of FPOs
1.	Aurangabad	46
2.	Nashik	48
3.	Usmanabad	45
4.	Pune	85

Source: Researchers' own computation of Primary Data

3.8.2 Selection of FPOs

From selected districts, five FPOs were selected from each district for study purpose. The total number of FPOs constituted to 20. The selection of FPOs were based on following assumptions:

- a) FPOs selected were of more than two years after the establishment
- b) Operation was considered from production to marketing and 22
- c) The FPOs selected should be dealing with minimum two commodities

Table 3.2 : Selection of FPOs from selected districts

Sr.no.	Districts	No. of FPOs
1.	Aurangabad	5
2.	Nashik	5
3.	Usmanabad	5
4.	Pune	5
Total no. of FPOs under consideration		20

Source: Researchers' own computation of Primary Data

3.8.3 Selection of FPO CEOs and FPO members

Each FPO had one respondent chosen at random. In order to highlight issues faced by Farmer Producer Organisations, an additional 5 farmers from each of these FPOs' operating areas, who are FPO members, were conveniently picked. The participants were chosen with great care to ensure that each category contained the same sort of farmer in terms of cropping pattern, land holding and other factors, avoiding the problem of extreme variables and outliers.

Table 3.3 : Selection of FPO CEOs and FPO members

Sr.no.	Particulars	Sample size
1.	Total no. of FPOs	20
2.	Total no. of CEOs	20
3.	Total no. of FPO members (5 from each FPO)	100

Source: Researchers' own computation of Primary Data

3.9 Data Analysis

The objective wise data analysis procedure undertaken for the proposed study were as under:

Objective I: To study the present scenario of Farmer Producer Organisations in Maharashtra.

The objective is designed to identify the present scenario of FPO by using the following operational aspects:

1. Area of operations
2. Number of members
3. Years of establishment
4. The commercial activities of FPO and the primary crops that FPOs in the study area is dealing with and,
5. Financial aspect of FPO

Objective II: To study the impact of government schemes on Farmer Producer Organisations in selected districts of Maharashtra

The Objective is designed to analyses the impact of government schemes on Farmer Producer Organisations in Maharashtra. There are different agencies in promoting FPOs. Such institutions are generally called as Producer Organisations Promoting Institutions (POPI). There are different institutions in the state for promoting the FPOs and giving training to the members in managing their FPOs. The Institutions promoting the FPOs in the state will be identified. A schedule was prepared for the FPO people to know the awareness regarding the government schemes and policies. Along with this before and after adoption of the scheme was analyzed.

Objective III: To identify challenges faced by Farmer Producer Organisations in selected districts of Maharashtra

This Objective is designed to identify challenges faced by Farmer Producer Organisations. A structured schedule was prepared for farmer members before going to field for collecting Data. Proper measures were taken while constructing a schedule which motivate farmers for giving the correct information which is desired by the researcher.

The **Rank Based Quotient (RBQ)** technique was used given by Sabarathnam (1988) to rank these issues according to their severity.

$$\text{RBQ mean} = \frac{\sum f_i(n+1-i)}{N*n} * 100$$

Where,

f_i = Number of farmers response for particular factor under its rank N =

Number of farmers

i = Number of rank

n = Number of factors identified.

3.9.1 Statistical Tools Followed

The following statistical methods were used in the study for precise and meaningful analysis and interpretation of the data collected:

- Frequency
- Percentage
- Rank Based Quotient (RBQ)

3.10 Summary

For the purpose of achieving its goals regarding Farmer Producer Organisations (FPOs) in Maharashtra, the study used a descriptive research design. Twenty FPOs were chosen for the study from four districts, which included Aurangabad, Nashik, Usmanabad, and Pune. Data were gathered from primary and secondary sources, with the former coming from interviews with FPOs, FPO employees, and FPO farmers.

The FPOs and respondents were chosen using convenience and purposeful sampling techniques. Frequency, percentage, and Rank Based Quotient (RBQ) were used in the data analysis to evaluate the current situation of FPOs, the effects of government programmes, and the difficulties they face.

RESULTS AND DISCUSSION

This chapter is the core of the thesis. It is here that the data gathered for the intended study is provided, along with an analysis of it. In this chapter, the objective-wise outcomes and findings were reported in the core areas below.

4.1 Present Scenario of FPOs

The following criteria were considered to study the operational aspects of FPOs:

1. Area of operations
2. Number of FPO members
3. Years of establishment
4. The commercial activities of FPO and the primary crops that FPOs in the study area is dealing with,
5. The financial growth of FPOs

There are total 20 FPOs selected in this study. Out of these 20 FPOs, there are FPOs promoted by SFAC and few FPOs are promoted by non SFAC government agencies such as NABARD, Japan Poverty Reduction Fund, ATMA by world bank, MACP and self-promoted FPOs. The 4 districts Nashik, Aurangabad, Usmanabad and Pune were the selected districts for the study in Maharashtra state. From every district 5 FPOs were chosen. In these selected districts the FPOs which are selected are given below in table 4.1.

Table 4.1 : Selected Districts and FPO of study area

DISTRICT	S.NO.	FPOs Name
Nashik	1.	Amarsingh Agro Producer Company Limited
	2.	Unity Agro Farm Producer Company Limited
	3.	Real Agro Farmers Producer Company Limited
	4.	Seven Hills Farmers Producer Company Limited
	5.	Mula Valley Farmer Producer Company Limited
Aurangabad	1.	Krishi Pratishtan Producer Company Limited
	2.	Bhagwan Krushi Producer Company Limited
	3.	Mandana Producer Company Limited
	4.	Latifpur Agro Farmers Producer Company Limited
	5.	Lingdari Farmers Producer Company Limited

Usmanabad	1.	Nav Chaitanya Farmers Producer Company Limited
	2.	Aadishakti Muktai Krushi Farmers Producer Company Limited
	3.	Girna Farmers Producer Company Limited
	4.	Tapi Valley Agro Producer Company Limited
	5.	Dhartiputra Agro Producer Company Limited
Pune	1.	Shree Satwajibaba Agro Producer Company Limited
	2.	Fresh Express Farmer Producer Company Limited
	3.	Versatile Agrofist Farmer Producer Company Limited
	4.	Rajuri Agro Producer Company Limited
	5.	Vasundhara Agri-Horti Producer Company Limited

Source: Researchers own's computation of Primary Data

The 20 FPO which were selected from these four districts are categorised under FPO promoted by SFAC or Non-SFAC government and private bodies. These government and non-government bodies have promoted, helped and given monetary support like loans on special interest and subsidise according to the government schemes to these FPOs.

The following study shows that SFAC promoting institute is found in Pune district, which is two FPOs in numbers and non-SFAC institutions are 18 FPOs. Which are further recategorized in their specific promoting institutions. The non-SFAC institute comprises of various govt. and non govt. FPOs promoting institutes, out of which are NABARD, World Bank, Japan Poverty Reduction Fund schemes and NGOs. The categorization is done below in table 4.2.

Table 4.2 : FPO under SFAC and NON-SFAC Promoting Institutions

DISTRICT	SFAC	NON-SFAC	
Nashik	-	NON-SFAC	5
		Self-Promoted	3
		NABARD	1
		World Bank (MACP)	1
Aurangabad	-	NON-SFAC	5
		Self-Promoted	1
		World Bank (MACP)	2
		ATMA Foundation	1
		NGO	1
Usmanabad	-	NON-SFAC	5
		Self-Promoted	1
		NABARD	1
		Japan Poverty Reduction Fund	3
Pune	2	NON-SFAC	3
		Self-Promoted	2
		NABARD	1
Total	2	Self-Promoted	7
		NABARD	3
		World Bank (MACP)	3
		Japan Poverty Reduction Fund	3
		ATMA Foundation	1
		NGO	1

Source: Researchers' own computation of Primary Data

4.1.1 Area of Operations

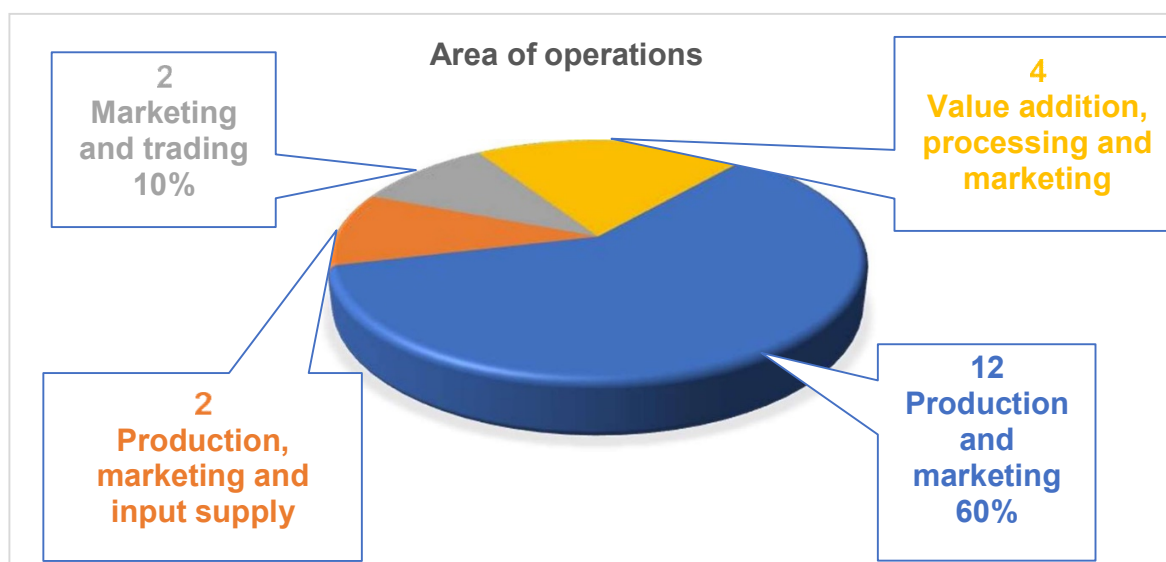
Farmer-producer cooperatives are involved in a wide range of activities. The production of the crop in which the FPO is specialized is the FPO's major activity. Aside from that, they operate in a wide range of operations, including marketing, consulting, input supply, value addition, export and any combination of these. Table 4.3 shows the results of an attempt to categorize the selected FPOs based on their operational orientation.

Table 4.3 : Area of Operation of selected FPOs

Area of Operation	Frequency	Percentage (%)
Production and Marketing	12	60.00
Production, Marketing and Input Supply	2	10.00
Marketing and Trading	2	10.00
Value Addition, Processing and Marketing	4	20.00
Total	20	100.00

Source: Researchers' own computation of Primary Data

Figure 4.1 : Graphical Representation of Area of Operations



Source: Researchers' own computation of primary data

Figure 4.1. Shows that the majority of FPOs work in the production and selling of crops in which they specialize. These crops were chosen based on local conditions and the financial value they can provide in comparison to other crops.

Only 12 FPOs were involved in production and marketing. Members of these FPOs grew the crop in their fields and sells it by pooling the total amount of yield from all of the members. Two FPOs were involved in production, marketing and input supply, as well as marketing and trade, while one FPO was involved in value addition and processing.

4.1.2 Number of FPO members

It is normally elective to join the FPO. Any producer residing within the relevant geographical boundary and producing the same crop for which the FPO was created is eligible to join the FPO. The legal form they choose determines the minimum number of members required

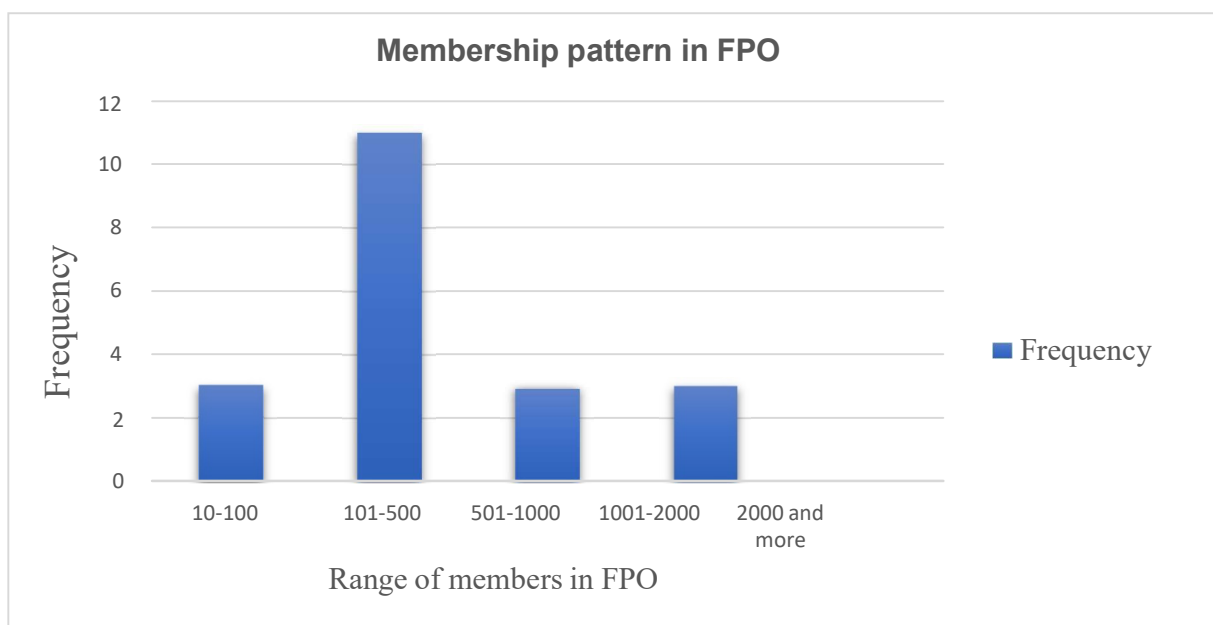
to form an FPO. A minimum of 10 farmers are usually required for a sufficient period of time. Table 4.4 shows the membership pattern of selected FPOs.

Table 4.4 : Membership Pattern in FPO

Number of Members	Frequency	Percentage (%)
10-100	3	15.00
101-500	11	55.00
501-1000	3	15.00
1001-2000	3	15.00
2000 and more	0	00.00
Total	20	100.00

Source: Researchers' own computation of Primary Data

Figure 4.2 : Membership Pattern in FPO



Source: Researchers' own computation of Primary Data

Table 4.4 shows the membership patterns of the selected FPOs in the study, with 11 of the FPOs in the study area having members in the 101-500 range, accounting for 55% of the total FPOs under consideration and three FPOs with membership in the 10- 100, 501-1000 and 1001-2000 ranges. In the selected FPOs, there are no such FPOs with a total membership pool of 2000 or more people.

4.1.3 Years of establishment of FPO

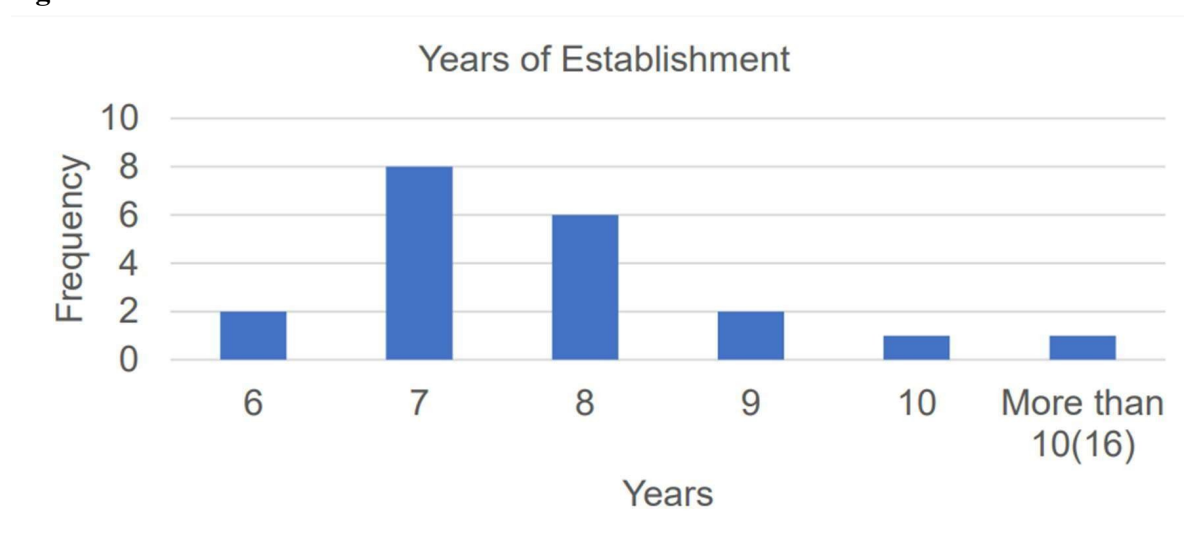
Impact of FPO membership can be visible only after a certain year of its establishment. The study looked at FPOs that had been in operation for at least three years, with the main goal of determining the influence of FPO membership on income, savings, asset development, enterprise investment, habitat security, educational security, food security and heat security, among other things. Table 4.5 shows how the FPOs in the study were categorised by the number of years they had been in operation.

Table 4.5 : Years of Establishment

Year of Establishment	Frequency	Percentage (%)
6	2	10.00
7	8	40.00
8	6	30.00
9	2	10.00
10	1	5.00
More than 10(16)	1	5.00
Total	20	100.00

Source: Researchers' own computation of Primary Data

Figure 4.3 : Years of Establishment of FPO



Source: Researchers' own computation of Primary Data

The majority of the FPOs in the study have been in operation for seven years, accounting for 40% of the total FPOs under evaluation. 30% of FPOs have completed eight years, whereas 10% of FPO have completed six and nine years respectively. Only one FPO of this study have completed the 16 years which is the longest period among all the FPOs.

4.1.4 Commercial crop of FPOs

Crop production and commercialization were the primary business activities of all FPOs in the research area. It is critical to understand the types of crops that the FPOS deal with, as this is directly tied to the business' success. A classification of the selected FPOs was attempted based on the principal crops handled by these FPOs. Cereals, pulses, floriculture, oil seed crops, vegetables and seed spices were used to classify the crops. Table 4.6 shows the categorization.

Table 4.6 : Crop wise classification of FPOs in the study area

Name of FPO	Crops Cultivated
Nashik District	
Amarsingh Agro Producer Company Limited	Onion and Pulses
Unity Agro Farm Producer Company Limited	Onion and Pulses
Real Agro Farmers Producer Company Limited	Onion and Pulses
Seven Hills Farmers Producer Company Limited	Onion, Pomegranate & Tomato
Mula Valley Farmer Producer Company Limited	Onion and Pomegranate
Aurangabad District	
Krishi Pratishthan Producer Company Limited	Cotton and Pulses
Bhagwan Krushi Producer Company Limited	Cotton and Pulses
Mandana Producer Company Limited	Wheat and Vegetables
Latifpur Agro Producer Company Limited	Cotton, Soyabean and Maize
Lingdari Farmers Producer Company Limited	Cotton and Wheat
Usmanabad District	
Nav Chaitnyan Farmers Producer Company Limited	Chilli, Onion and Banana
Aadishakti Muktai Krushi Vikas Farmers Producer Company Limited	Pulses (Tur and Harbhara)
Girna Farmers Producer Company Limited	Lemon
Tapi Valley Agro Producer Company Limited	Banana

Dhartiputra Agro Producer Company Limited	Onino and Banana
Pune District	
Shree Satwajibaba Agro Producer Company Limited	Wheat, Bajra and Jowar
Fresh Express Farmer Producer Company Limited	Wheat, Bajra and Jowar
Versatile Agrofirst Farmer Producer Company Limited	Vegetable Nursery
Rajuri Agro Producer Company Limited	Onion and Wheat
Vasundhara Agri-Horti Producer Company Limited	Mango

Source: Researchers' own computation of Primary Data

Crop wise classification of FPOs in the study area are listed in Table 4.6 Crops range from floriculture to oil seeds, with cereals, vegetables, fruits, pulses, spice seed trading and medicinal plants among them. Onion, pulses and other vegetable crops made up the majority of the FPOs in the research area. Pulses include gram, moong dal, soybean, pea, chana and others.

4.1.5 The Financial growth of FPOs

The percentage rate where something changes possession over the period of a year is known as annual turnover. This rate may be related to a company's annual inventory turnover, receivables, payables, or assets turnover. In the given table below, it shows the growth of FPO from the past year (2020) as compared to the recent year (2021).

Table 4.7 : Financial growth of FPOs District wise

Name of FPO	Annual turnover 2020	Annual turnover 2021	Percent change (in%)
Nashik District			
Amarsingh Agro Producer Company Limited	4.2 CR	5 CR	+19.04
Unity Agro Farm Producer Company Limited	97 Lakhs	1.5 CR	+54.63
Real Agro Farmers Producer Company Limited	1 CR	1.2 CR	+20
Seven Hills Farmers Producer Company Limited	22 Lakhs	30 Lakhs	+36.36
Mula Valley Farmer Producer Company Limited	22 Lakhs	35 Lakhs	+59.09
Aurangabad District			
Krishi Pratishthan Producer Company Limited	39.5 Lakhs	50 Lakhs	+26.58
Bhagwan Krushi Producer Company Limited	40 Lakhs	50 Lakhs	+25

Mandana Producer Company Limited	30 Lakhs	50 Lakhs	+66.66
Latifpur Agro Producer Company Limited	45 Lakhs	50 Lakhs	+11.11
Lingdari Farmers Producer Company Limited	1.2 CR	1.5 CR	+25
Usmanabada District			
Nav Chaitanya Farmers Producer Company Limited	62 Lakhs	73 Lakhs	+17.74
Aadishakti Muktai Krushi Vikas Farmers Producer Company Limited	8 Lakhs	9 Lakhs	+12.5
Girna Farmers Producer Company Limited	1.8 CR	2 CR	+11.11
Tapi Valley Agro Producer Company Limited	70 Lakhs	1 CR	+42.85
Dhartiputra Agro Producer Company Limited	2.9 Lakhs	4.5 Lakhs	+55.17
Pune District			
Shree Satwajibaba Agro Producer Company Limited	12 Lakhs	15 Lakhs	+25
Fresh Express Farmer Producer Company Limited	3.5 CR	5 CR	+42.85
Versatile Agrofirst Farmer Producer Company Limited	1.8 CR	3 CR	+66.66
Rajuri Agro Producer Company Limited	17 Lakhs	26 Lakhs	+52.94
Vasundhara Agri-Horti Producer Company Limited	2.6 CR	4 CR	+53.84

Source: Researchers' own computation of Primary Data

Table 4.7 shows the annual turnover of past year 2020 and annual turnover of current year 2021. This turnover represents the financial growth of the company in terms of economy.

4.2 Impact of government schemes on Farmer Producer Organisations in Maharashtra

“Impact” the word itself says change, the word impact means a marked effect or influence. The effect here is considered in three ways, the first one is a positive change, second is negative change and the last one is the neutral change. This objective shows, what effect the Government schemes has brought in the functionality of FPO by any means, be it by monetarily, be it by adding members to the FPO or by benefiting through government policies. A schedule was prepared to interview the CEO of the FPOs for getting the data which was required to fulfil the objective results. The sample of 20 CEO of the FPO was taken, as one from each FPO.

4.2.1 Awareness of government schemes and benefits by FPO

The Government of India have many institutes which helps the FPO for promoting them and providing them services like giving them loans, subsidies, helps in building infrastructure by funding the FPOs. this study shows that how many of the selected FPO are aware of the government schemes and policies. The major institute which provides the help or support to FPOs are SFAC, NABARD and World Bank. The other institute are private like NGO, Private financial institutes and funds coming from foreign countries (Japan Poverty Reduction fund).

Table 4.8 : Awareness of government schemes and benefits by FPO

Sr.no.	Name of FPO	Government Agencies	Aware of Scheme	Got Benefited	Still Getting Benefited
Under Nashik District					
1.	Amarsingh Agro Producer Company Limited	MACP	Aware	Benefited	Not Getting Benefited
2.	Unity Agro Farm Producer Company Limited	Self-Promoted	Aware	Not- Benefited	Not Getting Benefited
3.	Real Agro Farmers Producer Company Limited	Self-Promoted	Aware	Not- Benefited	Not Getting Benefited
4.	Seven Hills Farmers Producer Company Limited	Self-Promoted	Unaware	Not- Benefited	Not Getting Benefited

5.	Mula Valley Farmer Producer Company Limited	NABARD	Aware	Benefited	Getting Benefited
Under Aurangabad District					
6.	Krishi Pratishthan Producer Company Limited	World Bank (ATMA)	Aware	Benefited	Not Getting Benefited
7.	Bhagwan Krushi Producer Company Limited	World Bank	Aware	Benefited	Getting Benefited
8.	Mandana Producer Company Limited	World Bank	Aware	Benefited	Getting Benefited
9.	Latifpur Agro Producer Company Limited	Self- Promoted	Aware	Not- Benefited	Not Getting Benefited
10.	Lingdari Farmers Producer Company Limited	Dilasa NGO	Aware	Benefited	Not Getting Benefited

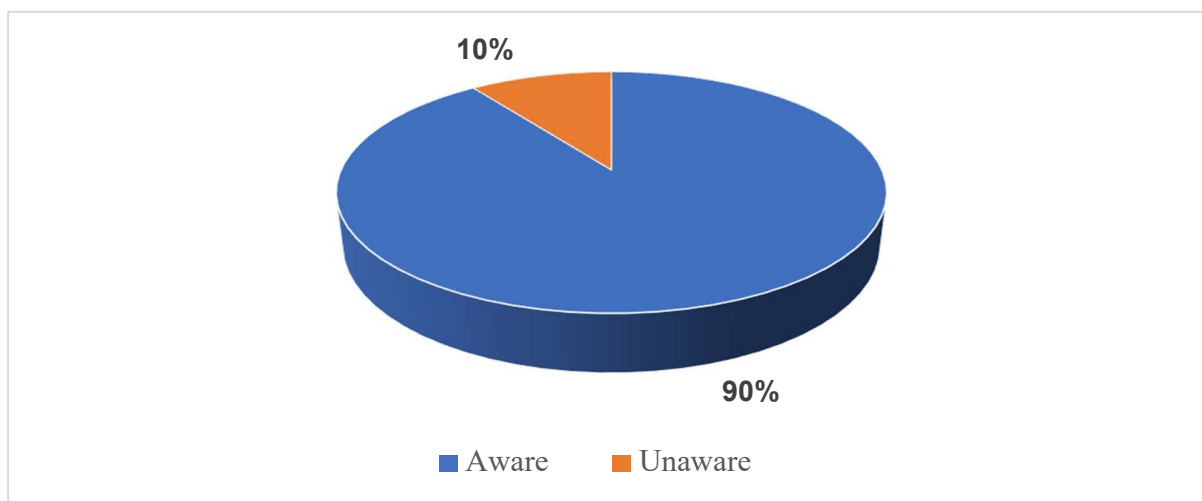
Under Usmanabad District					
11.	Nav Chaitanya Farmers Producer Company Limited	Japan Poverty Reduction Fund	Aware	Benefited	Getting Benefited
12.	Aadishakti Muktai Krushi Vikas Farmers Producer Company Limited	Self- Promoted	Unaware	Not- Benefited	Not Getting Benefited
13.	Girna Farmers Producer Company Limited	NABARD	Aware	Benefited	Getting Benefited
14.	Tapi Valley Agro Producer Company Limited	Japan Povert Reduction Fund	Aware	Benefited	Getting Benefited
15.	Dhartiputra Agro Producer Company Limited	Japan Povert Reduction Fund	Aware	Benefited	Getting Benefited
Under Pune District					
16.	Shree Satwajibaba Agro Producer Company Limited	SFAC	Aware	Benefited	Getting Benefited

17.	Fresh Express Farmers Producer Company Limited	Self- Promoted	Aware	Not- Benefited	Not Getting Benefited
18.	Versatile Agrofirst Farmer Producer Company Limited	SFAC	Aware	Not- Benefited	Not Getting Benefited
19.	Rajuri Agro Producer Company Limited	Self- Promoted	Aware	Not- Benefited	Not Getting Benefited
20.	Vasundhara Agri-Horti Producer Company Limited	NABARD	Aware	Benefited	Not Getting Benefited

Source: Researchers' own computation of Primary Data

Table 4.8 shows that the FPO from all four districts of the study area 20 FPO were taken into consideration regarding awareness of government schemes and policies. Where the responses came in the close ended format, further the responses are shown in the form of a pie chart to explain it more easily.

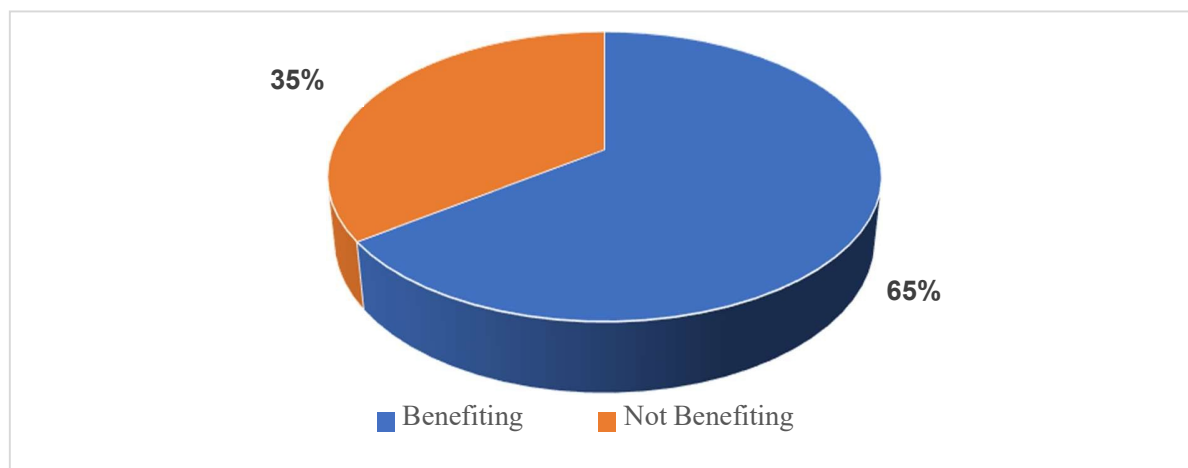
Figure 4.4 : FPOs aware of Government Schemes



Source: Researchers' own computation of Primary Data

Figure 4.4 shows that out of 20 FPOs, 18 FPO was aware about the government schemes which they were getting the benefit of comprising of 90% of the total sample size. The remaining two FPOs have no idea about the government schemes. These two FPOs were self-promoted FPOs, they have contributed the capital by their own members and established the FPO by their own.

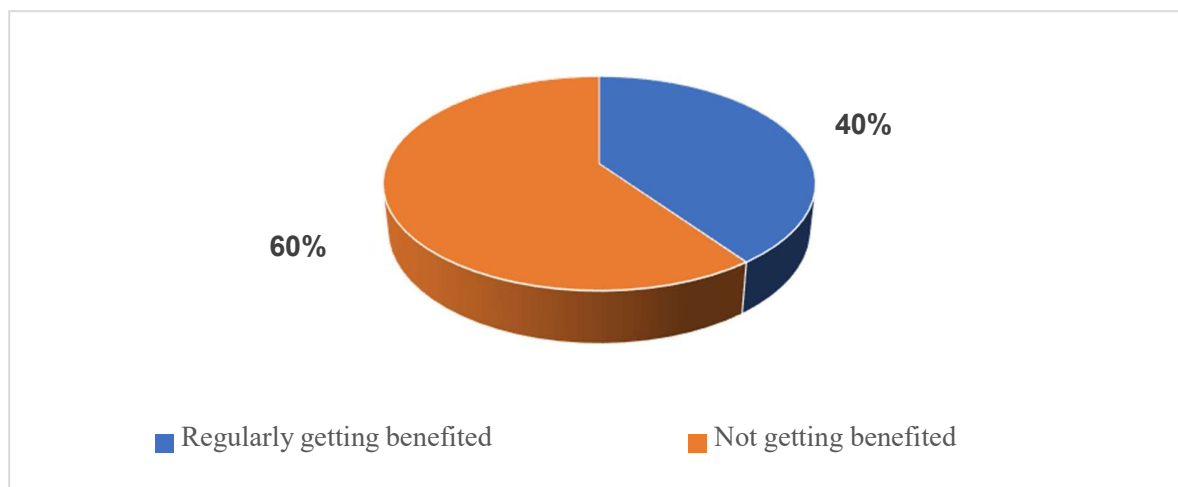
Figure 4.5 : Number of FPOs who got benefited from the Government Schemes



Source: Researchers' own computation of Primary Data

Figure 4.5 shows that out of 20 only 65% i.e., 13 FPOs were benefited by the government schemes and the remaining 35 % are not benefited by the government schemes. This is because most of them were Self-promoted FPOs and they established their FPO by their own because they find the government work slow, time taking and they go through many documentations process which is time consuming.

Figure 4.6 : Number of FPOs who are regularly getting benefited by Government Schemes



Source: Researchers' own computation of Primary Data

Coming down through the years many changes occurred, the impact was visible that out of 20 FPOs, 18 knew about the government schemes and policies which was shown in figure 4.5, later to that figure 4.6 shows that out of that 18 FPOs who were aware of the government schemes and policies only 13 got benefited by them.

In this figure 4.6 its shows the decrease in the number of FPO who are still getting the benefit of government schemes and policies, the percentage of them were eight which is 40% FPOs. These eight FPOs are still getting the benefits of the schemes and policies provided by the government agencies and was aware of the new schemes and policies came into act with respect to FPO interest.

The remaining five FPOs which used to get the benefits before but had stopped getting it now provided us with the reason of lengthy document processing, time taking procedure and filing the audit report according to the scheme's terms and conditions.

After taking the benefit from the schemes given by government, changes occurred in the functionality and economy of the FPO. Listed down below are the names of the FPOs who got benefited from the government schemes and policies.

Table 4.9 : Impact of government schemes on FPO

District	Name of FPO	Government Agencies	Technical, Technological & Infrastructural Benefit		Financial Benefit
			Before Adoption	After Adoption	
Nashik	Amarsingh Agro Producer Company Limited	MACP Governed by World Bank	No cleaning and grading	Cleaning, Grading units and Training	-
	Mula Valley Farmer Producer Company Limited	Produce Fund by NABARD	-	Helped establish-g FPO, Salaries of CEO and training	Funding of 5 lakhs for 3 years
Aurangabad	Krishi Prathishthan Producer Company Limited	ATMA by World Bank	Poor processing unit	Funded for new processing unit	50% Expenditure Subsidised
	Bhagwan Krushi Producer Company Limited	ATMA by World Bank	Poor processing unit	Funded for new processing unit	50% Expenditure Subsidised
	Mandana Producer Company Limited	ATMA by World Bank	Poor processing unit	New Wheat processing unit	50% Expenditure Subsidised

	Lingdari farmers producer company limited	Dilasa Janvika Spratishthan	-	New Establishment of FPO and Technical training	-
Usman abad	Nav Chaitanya Farmers Producer Company Limited	Japan Poverty Reduction Fund	-	-	Providing loan for establishment and improvement of FPO
	Girna Farmers Producer Company Limited	Produce Fund by NABARD	-	Helped establishing FPO Salaries of CEO and Training	Funding of 5 lakhs for 3 years
	Tapi Valley Agro Producer Company Limited	Japan Poverty Reduction Fund	-	-	Providing loan for establishment and improvement of FPO
	Dhartiputra Agro Producer Company Limited	Japan Poverty Reduction Fund	-	-	Providing loan for establishment and improvement of FPO

Pune	Shree Satwajibaba Agro Producer Company Limited	SFAC	Lack of Funding and Training	Training and Exposure of new farm technologies	5-15 lakhs of Funding
	Versatile Agrofist Farmer Producer Company Limited	SFAC	Lack of Funding and Training	Training and Exposure of new farm technologies	5-15 lakhs of Funding
	Vasundhara Agri-Horti Producer Company Limited	Produce Fund by NABARD	-	Helped establishing FPO, Salaries of CEO and Training	Funding of 5 lakhs for 3 years

Source: Researchers' own computation of Primary Data

Table 4.9 is the summary of the total objective in which there are schemes provided by the government and the FPOs which have benefitted by them. This table also shows the before and after adoption scenario of the FPO which directly relates to the impact which the government schemes has done over FPO functional and economic areas.

4.3 Challenges faced by Farmer Producer Organisations in Maharashtra

FPO farmer members were interviewed as part of a focus group. A pilot study was conducted to identify the primary obstacles that are holding the FPO idea back in Maharashtra. All four districts were chosen for the pilot research.

The following were the primary issues identified:

1. Lack of technology
2. Lack of office building of its own
3. Lack of godowns/storage facilities
4. Problems obtaining appropriate financing on time

5. Inadequate contribution from members, as the majority are impoverished and unemployed
6. Lack of vehicles for transportation
7. Market at a distance

Data was collected from on the districts based on the primary problems mentioned in order to rate the problems by severity. These issues were ranked according to their severity using Sabarathnam's Rank Based Quotient (RBQ) technique (1988). Here the factor taken were seven, number of farmers as a sample size were 25 which is five from each FPO which are selected on random basis.

$$\text{RBQ mean} = \frac{\sum f_i(n+1-i) * 100}{N * n}$$

Where,

f_i = Number of farmers response for particular factor under its rank

N = Number of farmers

i = Number of ranks

n = Number of factors identified

4.3.1 Challenges faced by the FPOs in Nashik district

Five FPOs from the Nashik district were chosen to study the district's significant challenges. The respondents were chosen at random from among the FPO farmer members. During the pilot survey, the key issues were identified. Table 4.10 shows the final outcome.

Table 4.10 : Challenges faced by the FPOs in Nashik district

Challenges	RBQ Mean	Rank
Inadequate contribution by member	81.71	I
Inadequate finance on time	76.57	II
Distant market	59.42	III
Lack of transport	58.28	IV
Lack of technology	52.00	V
Lack of storage	45.14	VI
Office building of its own	26.85	VII

Source: Researchers' own computation of Primary Data

Table 4.10 shows that the major problems faced by the FPO of Nashik district. Out of seven identified problems the major problem which is identified is inadequate contribution of farmer member as the majority are impoverished and unemployed. While studying these problems this factor was the most significant in Nashik district

The RBQ mean of this problem was 81.71. The next was inadequate finance on time which has the RBQ mean of 76.57. It is because the majority of farmer members were of marginal and small scale. The next main problem was market at distance which the farmer member has kept in third rank of 59.42 RBQ mean. The other major problems of the districts were lack of transport, technology, storage and office building of its own which ranks IV, V, VI and VII respectively.

4.3.2 Challenges faced by the FPOs in Aurangabad district

Five FPOs from the Aurangabad district were chosen to study the district's significant challenges. These issues were ranked according to their severity using Sabarathnam's Rank Based Quotient (RBQ) technique. The responders were chosen at random from among the FPO farmer members. During the pilot survey, the key issues were identified. Table 4.11 shows the final outcome.

Table 4.11: Challenges faced by the FPOs in Aurangabad district

Challenges	RBQ Mean	Rank
Inadequate finance on time	85.14	I
Inadequate contribution by member	72.57	II
Lack of technology	63.42	III
Lack of storage	51.42	IV
Office building of its own	43.42	V
Lack of transport	42.85	VI
Distant market	42.28	VII

Source: Researchers' own computation of Primary Data

Table 4.11 shows that inadequate availability of finance on time and inadequate contribution by the farmer member of FPO with the RBQ mean scores of 85.14 and 72.57 were the most significant problem in Aurangabad district. The next most serious issues were lack of technology, storage, and an office building of its own, with the RBQ mean of 63.42, 51.42 and 43.42. The FPO members in this district were least affected by issues such as a lack of transport because the market was nearby due to which the transport was easily available.

4.3.3 Challenges faced by the FPOs in Usmanabad district

During the collection of data, measure was taken that the data which was collected is from the FPO's farmer members in which there are members of different age group and having different educational knowledge, which totally reflects the variety in challenges faced by them. Five FPOs from the Usmanabad district were chosen to study the district's significant challenges from which 25 respondent were selected randomly.

Table 4.12 : Challenges faced by the FPOs in Usmanabad district

Challenges	RBQ Mean	Rank
Lack of transport	87.42	I
Distant market	65.14	II
Inadequate contribution by member	61.71	III
Lack of technology	61.14	IV
Inadequate finance on time	60.00	V
Lack of storage	46.28	VI
Office buildings of its own	18.28	VII

Source: Researchers' own computation of Primary Data

Table 4.12 shows that the district's FPO were facing the major challenge of vehicles for transportation and resembling to the same problem one was distant market. Both the problems are inter-related. If the market is at distance similarly the transportation problem emerges. The RBQ mean of both the challenges were 87.42 and 65.14.

The next severe issue in the Usmanabads' FPO were facing was inadequate contribution by the FPO member because of some poor farmers were not able to give the equal share. The RBQ mean of this was 61.71. The other issues were inadequate finance on time, lack of storage space and office building of its own.

4.3.4 Challenges faced by the FPOs in Pune district

Five FPOs from the Pune district were chosen to study the significant challenges of the district. The responders were chosen at random among the FPO's farmer members. During the pilot survey, the key issues were identified. Table 4.13 shows the final outcome.

Table 4.13: Challenges faced by the FPOs in Pune districts

Challenges	RBQ Mean	Rank
Lack of storage	82.28	I
Office buildings of its own	76.57	II
Inadequate finance on time	61.71	II
Lack of transport	61.14	IV
Distant market	45.14	V
Inadequate contribution by member	41.14	VI
Lack of technology	34.28	VII

Source: Researchers' own computation of Primary Data

Table 4.13 shows the challenges faced by the FPO in Pune district. The major challenges faced by them are lack of storage, not having their own building and inadequate finance on time. With the limited land holding near Pune city and the high prices of the land it is hard for the FPOs of Pune districts to get a storage facility and an office of their own to work. These challenges rated with in the top three with the RBQ mean of 82.28, 76.57 and 61.71 respectively.

Lack of transport and distant market are inter-related to each other, if the vehicles are not available then transportation will be hard to take the supply to the market, which is at a distant from the storage place or godowns.

4.3.5 Comparative study of challenges faced by FPO in Maharashtra

The comparative study of FPO of Maharashtra from the selected four districts will tell us that the challenges faced by the FPO are severe and can be compared with the other districts. These are calculated by RBQ mean method. The study is shown below in table no. 4.3.5.

Table 4.14 : Comparative study of FPOs in Maharashtra

Districts	Nashik	Aurangabad	Usmanabad	Pune
Challenges				
Lack of technology	52	63.42	61.14	34.28
Office buildings of its own	26.85	43.42	18.28	76.57
Lack of storage	45.14	51.42	46.28	82.28
Inadequate finance	76.57	85.14	60.00	61.71
Inadequate contribution by member	81.71	72.57	61.71	41.14
Lack of transport	58.28	42.85	87.42	61.14
Distant market	59.42	42.28	65.14	45.14

Source: Researchers' own computation of Primary Data

Table 4.14 shows that lack of technology is highest in Aurangabad and Usmanabad district with the RBQ mean of 63.42 and 61.14 respectively. Whereas the office building of their own is the least problem among all the district except Pune where the RBQ mean is raised up to 76.57.

In the same district the major problem before having their own office building is lack of storage system. This is major in Pune district with the RBQ mean of 82.28. Inadequate finance in time and inadequate contribution by member as many of them are poor these two challenges were at the top of two districts in Aurangabad and Nashik whereas lack of transport and distant market were the challenges faced by the FPOs of Usmanabad districts' with the RBQ mean of 87.42 and 65.14 respectively.

Figure 4.7 : Comparative study of FPOs in Maharashtra

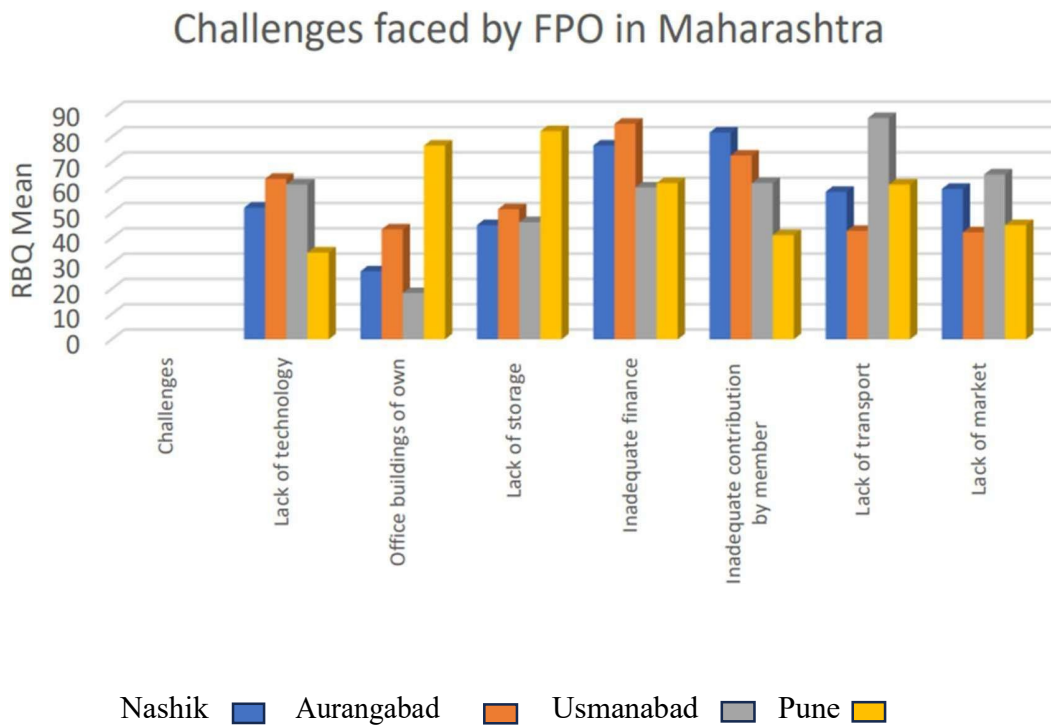


Figure 4.7 Shows the comparison that which problems are faced by which districts of FPO because every FPO are geographically placed in different region of Maharashtra and therefore the challenges faced by them will be different. It shows that inadequate finance and inadequate contribution by the members who are poor has approximately highest rank in all the four districts.

4.4 Summary

Chapter 4 focuses on the core analysis of the study, presenting data and findings related to the present scenario, operational aspects, financial growth, and challenges faced by FPOs in Maharashtra. The chapter provides valuable insights into the functioning and impact of FPOs in the selected districts.

SUMMARY AND CONCLUSION

5.1 Summary

Farmer Producer Organisations (FPOs) are the legal entity formed by the primary producers. The main aim is to ensure better income for the producers through an Organisation of their own. The concept behind Farmer Producer Organisations is the farmers, who are the producers of agricultural products, can form groups and register themselves under the Indian Companies Act. The present study was conducted in Nashik, Aurangabad, Usmanabad and Pune districts of Maharashtra. The objectives of the study were;

- To study the present scenario of Farmer Producer Organisations in selected districts of Maharashtra.
- To study the impact of government schemes on Farmer Producer Organisations in selected districts of Maharashtra.
- To identify challenges faced by Farmer Producer Organisations in selected districts of Maharashtra. 20 FPO officials were selected from 20 FPOs, one from each FPO. Five farmer members from each FPO were selected for the study.

It was found that, majority of the FPOs selected were engaged in production and marketing of the crops and maximum share of the FPOs were promoted by NABARD Produce Fund and World Bank scheme. As a result, NGOs and other associated organisations must take the initiative to educate rural communities about the benefits of FPOs and promote them. The majority of FPOs member were in range of 101-500. While majority of FPOs were established between seven-eight years.

Crop production and commercialization were the primary business activities of all FPOs in the research area. Onion, pulses and other vegetable crops made up the majority of the FPOs in the research area. Financial growth was studied by calculating percent change in annual turnover, which is used by the companies to track and report trends in their revenues or profits. After taking the benefit from the government schemes, changes occurred in the functionality and economy of the FPO. The impact was visible that out of 20 FPOs 18 knew about the Government schemes and policies, 13 got benefited by them.

Inadequate contribution by the member because of poor economy class and inadequate finance on time was the severe problem faced by the Nashik district. Inadequate finance on time to the FPO and inadequate contribution by the member because of poor economy class was the

challenge of Aurangabad district. In Usmanabad district the FPO most faced challenge was lack of transport and distance of market from the office. Pune's FPO were lacking of storage facility and having their own office building.

It is suggested that NGOs and other associated organisations must take the initiative to educate rural communities about the benefits of FPOs and promote them. Identifying combination crops that may be grown in both seasons to boost output and lower production costs is advised. The FPO should improve forward and backward connectivity. The identification of essential partners will aid in the elimination of marketing channel intermediaries that claim large margins.

5.2 Conclusion

The conclusion is presented in this chapter based on the findings and discussions. Also included are policy proposals that could aid in improving the state's and country's existing FPO models. There are also suggestions for future research.

The current state of FPOs was investigated and it was discovered that 60% of FPOs were exclusively involved in production and marketing. Because these FPOs' capital investments were so low, there was little room for grading, value addition or processing. The majority of FPOs in the research area have a membership of 101- 500 people. It restricts FPOs' ability to expand and achieve economies of scale.

- In the research area, there were four producer organisation promotion institutes and one non-governmental organisation to set up 20 FPOs. Seven of them were self- established. The majority 46% were promoted through the NABARD Produce Fund and World Bank scheme. As a result, NGOs and other associated organisations must take the initiative to educate rural communities about the benefits of FPOs and promote them.
- The research has also shown that only one FPO was working from the past 16 years and others were established between seven to eight years.
- Crop wise classification of FPOs in the study area was studied and the conclusion came down as onion, pulses and other vegetable crops made up the majority of the FPOs in the research area. For increasing the profit in the crop production, the FPO need to gain more knowledge in mix cropping and allied agriculture practices.
- The research also concluded that two FPOs has the maximum financial turnover of 66.66 % whereas the least turnover counted at 11.11%. The FPO with the maximum turnover suggested to grow in the field of technology and automation. New advance technology should be used in the

value addition and packaging and processing units to increase the value of your product. This will help to gain more profit as the return will equally change the living of the individual.

- 18 FPOs were aware of the government scheme and policies but only 13 were able to take the benefit.
- Seven FPOs which were self-established was not making good use of the awareness.
- Out of 13 beneficiary FPOs only eight were still taking the benefit of the government schemes, the remaining five out these 13 FPOs discontinued the benefits because of lengthy document processing, time taking procedure and filing the audit report according to the scheme's terms and conditions.
- The before and after adoption of the government schemes benefiting the FPOs were recorded in which the schemes impacted on better technical, technological and infrastructural development of the FPOs.
- Apart from all this betterment schemes have also helped monetarily by giving loans, providing 50 % of project expenditure and funding the FPOs for the establishment and improvement.
- Inadequate contribution by members and inadequate finance was the severe problem faced by the Nashik district with the RBQ mean of 81.71 and 76.57 respectively.
- Inadequate finance on time to the FPO and inadequate contribution by the FPO member because of poor economy class was the challenge of Aurangabad district. The RBQ measured was 85.14 and 72.57 respectively.
- In Usmanabad district, the FPO faced the challenges of lack of transport and distance of market from the office. These both challenges were accounting the RBQ mean of 87.42 and 65.14 respectively.
- Pune district is high in economy and of high standards of living, the main challenge for Pune's FPO were lack of storage facility and having their own office building.

5.3 Suggestions

- NGOs and other associated organisations must take the initiative to educate rural communities about the benefits of FPOs and promote them.
- Government schemes should be easy to understand and procedure for granting the schemes should also be reduced.
- Dealing with production and marketing on your own will not yield better results. As a result,

such activities should be recognised and promoted in FPOs and POPI should be in charge of this.

- Identifying combination crops that may be grown in both seasons to boost output and lower production costs is advised.
- The FPO should improve forward and backward connectivity. The identification of essential partners will aid in the elimination of marketing channel intermediaries that claim large margins.

5.4 Implications of the Study

- **Improved Income for Farmers:** The main aim of FPOs is to ensure better income for farmers through collective action and organized marketing. The study suggests that FPOs engaged in crop production and commercialization, such as onion, pulses, and other vegetable crops, were able to achieve this objective. By participating in FPOs, farmers can access better market opportunities, negotiate fair prices, and reduce dependency on middlemen.
- **Government Scheme Impact:** The study highlights the positive impact of government schemes on FPOs. Many FPOs in the research area were promoted by the NABARD Produce Fund and World Bank scheme, indicating the significance of government support in fostering the growth of FPOs. Government schemes and policies are essential in providing financial assistance, infrastructure development, training, and capacity building to FPOs, which ultimately contribute to their success.
- **Role of NGOs and Associated Organizations:** The study emphasizes the importance of NGOs and other associated organizations in educating rural communities about the benefits of FPOs and promoting their formation. Since FPOs are legal entities under the Indian Companies Act, awareness campaigns and capacity-building initiatives can help farmers understand the potential advantages of collective action, sharing resources, and accessing markets more effectively.
- **Challenges Faced by FPOs:** The study identifies several challenges faced by FPOs in different districts of Maharashtra. These challenges include inadequate member contributions due to poor economic conditions, delayed finance, lack of transport and market distance, and insufficient storage facilities and office buildings. Addressing these challenges is crucial for the sustainable growth and functioning of FPOs. Strategies could include providing financial support, improving infrastructure, enhancing access to markets, and facilitating storage and logistics solutions.
- **Recommendations for Improvement:** The study provides recommendations for enhancing the

performance of FPOs. These include encouraging the cultivation of combination crops that can be grown in both seasons to boost output and reduce production costs. Improving forward and backward connectivity can help streamline the supply chain and reduce inefficiencies. Additionally, identifying essential partners and eliminating intermediaries in marketing channels can enable FPOs to capture a larger share of the value chain and increase their profitability.

Overall, the implications of this study suggest that FPOs have the potential to improve the income and livelihoods of farmers in Maharashtra. By addressing the challenges faced by FPOs and leveraging government support and partnerships with NGOs, FPOs can play a vital role in empowering farmers, promoting agricultural development, and achieving rural prosperity.

5.5 Limitations of the Study

- **Limited Sample Size:** The study selected 20 FPO officials and 5 farmer members from each FPO for data collection. This sample size may not be representative of all FPOs in Maharashtra or provide a comprehensive understanding of the overall scenario. The findings may not be generalizable to other regions or FPOs with different characteristics.
- **Regional Focus:** The study was conducted in specific districts of Maharashtra (Nashik, Aurangabad, Usmanabad, and Pune). These districts may not fully represent the diversity and variations in FPOs across the entire state. The findings may not be applicable to FPOs in other regions of Maharashtra, which may have different socio-economic, cultural, and agricultural contexts.
- **Reliance on Self-Reporting:** The study's findings depend on the responses and self-reporting by FPO officials and farmer members. There may be limitations in the accuracy and reliability of the data collected, as it could be influenced by recall bias or social desirability bias. The information provided may not always reflect the actual situation or challenges faced by the FPOs.
- **Lack of Comparative Analysis:** The study focuses on the present scenario, impact of government schemes, and challenges faced by FPOs. However, it does not provide a comparative analysis with other types of agricultural organizations or non-FPO farmers. Such a comparison could have provided a broader perspective on the effectiveness and benefits of FPOs compared to other models of agricultural production and marketing.
- **Limited Perspective:** The study primarily focuses on the perspective of FPO officials and farmer

members. It may not capture the viewpoints of other stakeholders, such as government agencies, financial institutions, market intermediaries, or consumers. In-depth insights from these stakeholders could have provided a more comprehensive understanding of the challenges and potential improvements for FPOs.

- **Time Limitations:** The study does not specify the duration of data collection or the time span covered. Without this information, it is difficult to assess the long-term sustainability and impact of FPOs. The dynamics and challenges faced by FPOs may vary over time, and the study may not capture these temporal aspects adequately.

Despite these limitations, the study offers valuable insights into the present scenario, government scheme impact, and challenges faced by FPOs in Maharashtra. It provides a foundation for further research and can guide policymakers, NGOs, and associated organizations in promoting and strengthening FPOs for the betterment of farmers and agricultural communities.

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APPENDIX

QUESTIONNAIRE

PROSPECTS AND CHALLENGES OF FARMER PRODUCER ORGANISATION IN SELECTED DISTRICTS OF MAHARASHTRA

ANNEXURE 1

Schedule for FPO Officials

1. General Information of FPO officials

Name of the FPO:

Name of the respondent:

Designation in the FPO:

District: Tehsil:

Village:

Year of establishment:

Crops/ commodities handling:

Operational Orientation: Production Procurement

Marketing Export Consultancy Services Other

Specify.....

Name of the Promoting Institution:

Is the FPO registered? Yes No

Number of members in the FPO:

Sr. no	Particulars	Number
1.	Farmers	
2.	Management committee	
Total		

Economic efficiency of the FPO

- a. Authorised capital Rs.
- b. Paid up capital Rs.
- c. Annual turnover: Rs.

2. Awareness of Government schemes and policies by FPO

Sr.no	Particular	Yes	No
1.	Are you aware of the schemes provided by government agencies?		
2.	From which schemes FPO got benefited?		
3.	Did you get benefited by the schemes?		
4.	Are you still getting benefited by the schemes?		
5.	Did you get financial help by the schemes?		
6.	Did you get technical help by the schemes?		
7.	Did you get technological help by the schemes?		

3. Changes occurred after adopting government schemes:

Before adoption:

After adoption:

ANNEXURE 2

Schedule for FPO Members

1. Personal Details:

- a) Name:
- b) Age: c) Sex:
- d) Education: Primary Secondary Matriculation
 Graduation Post-Graduation Doctorate
- e) Landholding:
 <1 ha 1-3 ha 3-5 ha >5 ha
- f) How long are you the member of the FPO?
 <1 year 1-2year 2-3 year >3 year

Sr. no	Particulars	Type of the land	
		Irrigated	Un irrigated
1.	Owned		
2.	Leased in		
3.	Leased out		

- g) Role in the FPO
 Manager/ CEO BOD member Ordinary member

2. Problems faced by the FPO

Sl. no	Problems	Rank
1.	Lack of technology	
2.	Lack of office building of its own	
3.	Problem of getting adequate finance in time	
4.	Lack of godowns/ storage facility	
5.	Lack of sufficient number of vehicles for transport	
6.	Lack of willing members to contribute in raising capital	
7.	Distant market	
8.	Any other	

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Name of the Student	:	Fulsunghe Manisha Dilip
Admission Number	:	H-2021-08-ABM
Degree Awarded	:	Master in Business Administration (Agribusiness)
Year of Award of Degree	:	2023
Major Advisor	:	Dr. Rahul Dhiman
Major Subject/Discipline	:	Agribusiness Management
Minor Field	:	Agribusiness Management
Total pages in Project Report	:	57+iii
Total words in Abstract	:	174

Abstract

The current study entitled “Prospects and Challenges of Farmer Producer Organization in Selected Districts of Maharashtra” has been done to know the present scenario of FPO, impact of government schemes on FPO and to identify challenges faced by FPO. The research design adopted for this study was Rank Based Quotient technique, as to precise information concerning the current status of the phenomenon and to draw the valid general conclusions from the fact discovered. The study was conducted in four districts of Maharashtra that is Nashik, Aurangabad, Usmanabad and Pune. 20 FPO officials were selected from 20 FPOs, 1 from each FPO. 5 farmer members from each FPO were selected for the study. The majority of the FPOs chosen were involved in the production and sale of crops, and most of them are supported by World Bank and NABARD Produce Fund programs. The study concluded that both forward and backward connectivity should be improved by the FPO. The elimination of marketing channel intermediaries that assert enormous margins will be facilitated by the identification of crucial partners.

Signature of the Student

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12 th Class	2016	Saket Public School, Gondia, Maharashtra	Maharashtra StateBoard, Pune	64.31	First
B. Sc. (Hons) Agriculture	2020	College of Agriculture, Nagpur, Maharashtra	Dr. Panjabrao Deshmukh Krishi Vidyapeeth, Akola, Maharashtra	76.60	First
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