

## Original Research Article

### IMPACT LEVEL OF KNOWLEDGE AND CONSTRAINTS FACED BY THE FARMER PRODUCER ORGANIZATION ON FARMERS INCOME IN KURNOOL DISTRICT OF ANDHRA PRADESH

#### **ABSTRACT**

*The present study was conducted in Kurnool district of Andhra Pradesh. From Kurnool district Bethamcherla mandal was selected purposively based on considerable number of respondents as a member of Farmer Producer Organization. There are 174 FPO groups in Bethamcherla Mandal. From one mandal 6 villages were selected randomly based on the considerable number of members of Farmer Producer Organization. From each selected village farmers were selected randomly. In this way a total of 120 farmers were considered as respondent for the present study. out of 120 farmers 60 are selected for beneficiaries and 60 for non beneficiaries. These selections were done by using simple random sampling method for the purpose of the study. where as in beneficiaries majority of the farmers are having a full of knowledge about organization, and having a partial knowledge on the activities and processing unit that are undergoing in FPO where as in non beneficiaries majority of the farmers having a full of knowledge on how many members should be there in an organization and having partial knowledge on shares they receive in an year. Most of the respondents have given their feedback that they are facing lack of well developed storage facilities, processing facilities, lack of technical skill of labourers in harvesting ,processing etc., The major suggestions that are given by the respondents are efficient supply of inputs, Processing, storage and transport facilities, Enhance government support etc.,*

**Keywords:** *FPO, farmers, Knowledge, beneficiaries, non beneficiaries.*

#### **INRODUCTION**

**Comment [Ma1]:** The abstract is not well written.

The author could have started by introducing the topic, followed by the statement of the problem. Then the methodology (in this case the regression analysis he used since it is an impact study. This is followed by the result of the analysis.

**Comment [Ma2]:** Farmers income should be included in the key words

Agriculture is the primary sector of the economy and primary source of livelihood for about 58 per cent of India's population. At the time of Indian independence this sector had biggest share in the Gross Domestic Product of India. But year by year its contribution goes on declining and currently it contributes only 17% of Indian GDP at current prices. India's production of food grains has been increasing every year, and India is among the top producers of several crops such as wheat, rice, pulses, sugarcane and cotton. It is the highest producer of milk and second highest producer of fruits and vegetables (**Onumah 2007**).

There are several legal entities which aim to help farmers reap benefits of economies of scale via aggregation like farmer cooperatives, farmers clubs, farmer interest groups, etc. Farmer Producer Organizations (FPOs) are one such farmers aggregate. FPOs are registered under the Indian Companies Act, 1956. Producer Organizations therefore are supposed to be non-political entities aimed at providing business services to smallholder farmer members, founded on the principal of self-reliance (**Onumah 2007**).

The basic purpose envisioned for the FPOs is to collectivize small farmers for backward linkage for inputs like seeds, fertilizers, credit, insurance, knowledge and extension services; and forward linkages such as collective marketing, processing, and market-led agriculture production (**Mondal 2010**).

To facilitate this process, the Small Farmers Agribusiness Consortium (SFAC) was mandated by Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India, to support the state governments in the formation of Farmer Producer Organizations (FPOs). The aim is to enhance farmers competitiveness and increase their advantage in emerging market opportunities. The year 2014 was observed as the Year of Farmer Producer Organizations, and slowly but surely, the concept is catching on. The FPOs major operations will include supply of seed, fertilizer and machinery, market linkages, training and networking and financial and technical advice. Vision of the FPO is to build a prosperous and sustainable member- owned producer organization that enable farmers to enhance productivity through efficient, cost-effective and sustainable resource use and realize higher returns for their produce, through collective action.

Farmers Producer Organization (FPO) is one type of PO where the members are farmers. During the 12th Plan period (2012-2017), Small Farmers' Agribusiness Consortium (SFAC) is providing support for promotion of FPOs (GOI, 2013). PO is a generic name for an organization of producers of any produce, e.g., agricultural, non-farm products, artisan products, etc. The Government hopes that this will foster technology penetration, improve productivity, enable improved access to inputs and services and increase farmer incomes (Chander 2019). Farmers' Organizations (FOs) are essential institutions for the empowerment, poverty alleviation and advancement of farmers and the rural poor. National Commission on Farmers (NCF), 2004 stated that "Farmers' organizations should be promoted to combine the advantages of decentralized production and centralized services, post-harvest management, value addition and marketing." A PO for non farmers can also be established if the producers produce a non farm item (for example, handloom or handicraft), then the PO will be that of non-farmers.

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## OBJECTIVES OF THE STUDY

1. To determine the knowledge of the respondents of beneficiaries and non beneficiaries of FPO.
2. To find out the constraints faced by the respondents and seek their suggestions to minimize it.

## RESEARCH METHODOLOGY

Ex-Post facto research design will be followed for the present study. Ex-Post facto research is used to describe characteristics of a population or phenomenon being studied. Ex-post facto research design is a scientific method which involves observing and describing the behaviour of the subject without influencing anyway. It is a method in which groups with qualities that already exist are compared on some dependent variable. Also known as "after the fact" research. The present study was conducted in Kurnool district of Andhra Pradesh, from Kurnool district Bethamcherla mandal was selected purposively based on considerable number of respondents as a member of Farmer Producer Organization. There are 174 FPO groups in Bethamcherla mandal. From one mandal 6 villages were selected randomly based on the considerable number of members of Farmer Producer Organization. From each selected village

Comment [Ma4]: 'was used' instead of 'will be followed'

Comment [Ma5]: 'it' instead of 'anyway'

20 farmers were selected randomly. In this way a total of 120 farmers were considered as respondent for the present study.

## RESULTS AND DISCUSSION

**Table no 1 Knowledge of respondents about FPO.**

Sl. No.	Statements	Beneficiaries			Non-beneficiaries		
		Agree <i>f (%)</i>	Undecided <i>f (%)</i>	Disagree <i>f (%)</i>	Agree <i>f (%)</i>	Undecided <i>f (%)</i>	Disagree <i>f (%)</i>
1	Do you know about this organization.	<b>46</b> <b>(76.66)</b>	<b>14</b> <b>(23.33)</b>	<b>00</b> <b>(00)</b>	<b>15</b> <b>(25.00)</b>	<b>29</b> <b>(48.33)</b>	<b>16</b> <b>(26.66)</b>
2	Do you know how many members should be there in an organization.	<b>42</b> <b>(70.00)</b>	<b>18</b> <b>(30.00)</b>	<b>00</b> <b>(00)</b>	<b>22</b> <b>(36.66)</b>	<b>38</b> <b>(63.33)</b>	<b>00</b> <b>(00)</b>
3	Is registration mandatory to become FPO member	<b>36</b> <b>(60.00)</b>	<b>13</b> <b>(21.66)</b>	<b>11</b> <b>(18.33)</b>	<b>19</b> <b>(31.66)</b>	<b>33</b> <b>(55.00)</b>	<b>8</b> <b>(13.33)</b>
4	Do you know what are the activities that are undergoing in FPO.	<b>32</b> <b>(53.33)</b>	<b>19</b> <b>(31.66)</b>	<b>9</b> <b>(15.00)</b>	<b>18</b> <b>(30.00)</b>	<b>25</b> <b>(41.66)</b>	<b>17</b> <b>(28.33)</b>
5	Do you have any idea about state and central schemes	<b>30</b> <b>(50.00)</b>	<b>13</b> <b>(21.66)</b>	<b>17</b> <b>(28.33)</b>	<b>15</b> <b>(25.00)</b>	<b>23</b> <b>(38.33)</b>	<b>22</b> <b>(36.66)</b>

	which are offered by FPO.						
6	Do you know about primary processing unit	<b>41</b> <b>(68.33)</b>	<b>19</b> <b>(31.66)</b>	<b>00</b> <b>(00)</b>	<b>19</b> <b>(31.66)</b>	<b>38</b> <b>(63.33)</b>	<b>3</b> <b>(5.00)</b>
7	Do you know about custom hiring center.	<b>36</b> <b>(60.00)</b>	<b>15</b> <b>(25.00)</b>	<b>9</b> <b>(15.00)</b>	<b>11</b> <b>(18.33)</b>	<b>31</b> <b>(51.66)</b>	<b>18</b> <b>(30.00)</b>
8	Do you know how many members should register for a company.	<b>43</b> <b>(71.66)</b>	<b>17</b> <b>(28.33)</b>	<b>00</b> <b>(00)</b>	<b>15</b> <b>(25.00)</b>	<b>27</b> <b>(45.00)</b>	<b>18</b> <b>(30.00)</b>
9	How many shares do you receive in a year.	<b>23</b> <b>(38.33)</b>	<b>12</b> <b>(20.00)</b>	<b>25</b> <b>(41.66)</b>	<b>9</b> <b>(15.00)</b> <b>)</b>	<b>39</b> <b>(65.00)</b>	<b>12</b> <b>(20.00)</b>
10	Do they provide any training program on grading and packing	<b>30</b> <b>(50.00)</b>	<b>14</b> <b>(23.33)</b>	<b>16</b> <b>(26.66)</b>	<b>13</b> <b>(21.66)</b>	<b>30</b> <b>(50.00)</b>	<b>17</b> <b>(28.33)</b>

*f*= frequency,%=percentage

From the above table it can be observed that among beneficiaries, majority of the respondents (76.66%) have agreed that they know about this organization. (70.00%) of the respondents have agreed that they know how many members should be there in an organization. (60.00%) of the respondents are having a complete knowledge on registration in FPO. (53.33%) of the respondents have known what are the activities that are undergoing in FPO. (50.00%) of the

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respondents are having idea about state and central schemes which are offered by FPO. (68.33%) of the respondents have known about primary processing unit. (60.00%) of the respondents have known about custom hiring center. (71.66%) of the respondents have known how many members should register for a company. (38.33%) of the respondents are having knowledge about the shares that they receive in year. (50.00%) of the respondents are having complete knowledge on training program on grading and packing (23.33%) of the respondents are undecided or they have partial knowledge about this organization. (30.00%) of the respondents are having a partial knowledge that how many members should be there in an organization. (21.66%) of the respondents are having a partial knowledge on registration in FPO. (31.66%) of the respondents are having a partial knowledge on the activities that are undergoing in FPO. (21.66%) of the respondents are having partial knowledge on state and central schemes which are offered by FPO. (31.66%) of the respondents are undecided about primary processing unit. (25.00%) of the respondents are having a partial knowledge on custom hiring center. (28.33%) of the respondents are undecided that how many members should register for a company. (20.00%) of the respondents are having a partial knowledge about the shares that they receive in year. (23.33%) of the respondents are having partial knowledge on training program on grading and packing. Where as in non beneficiaries (25.00%) majority of the respondents have agreed that they know about this organization. (36.66%) of the respondents the respondents have agreed that know how many members should be there in an organization. (31.66%) of the respondents are having a complete knowledge on registration in FPO. (30.00%) of the respondents have known what are the activities that are undergoing in FPO.(25.00%) of the respondents are having idea about state and central schemes which are offered by FPO. (31.66%) of the respondents have known about primary processing unit.(18.33%) of the respondents have known about custom hiring center. (25.00%) of the respondents have known how many members should register for a company. (15.00%) of the respondents are having knowledge about the shares that they receive in year. (21.66%) of the respondents are having complete knowledge on training program on grading and packing (48.33%) of the respondents are undecided or partially agreed about this organization. (63.33%) of the respondents are undecided that how many members should be there in an organization. (55.00%) of the respondents are undecided on registration in FPO. (41.66%) of the respondents are partially agreed on the activities that are undergoing in FPO. (38.33%) of the respondents are partially agreed about state and central schemes which are offered by FPO.

(63.33%) of the respondents are undecided about primary processing unit. (51.66%) of the respondents are undecided about custom hiring center. (45.00%) of the respondents are undecided that how many members should register for a company. (65.00%) of the respondents are partially agreed and undecided about the shares that they receive in year. (50.00%) of the respondents are having partial knowledge on training program on grading and packing.

### Overall knowledge level of respondent's about FPO.

The knowledge score of each respondent's was calculated and converted into percentage. The respondents were classified into three categories viz., a) low knowledge level, b) medium knowledge level and c) high knowledge level.

**Table no 2 overall knowledge level of respondent's about FPO.**

**N=120**

Sl. No.	Categories	Beneficiaries		Non-beneficiaries	
		Frequency	Percentage	Frequency	Percentage
1	Low	6	10.00	29	48.33
2	Medium	30	50.00	21	35.00
3	High	24	40.00	10	16.66
	<b>Total</b>	<b>60</b>	<b>100.00</b>	<b>60</b>	<b>100.00</b>

### Distribution of respondents according to their overall knowledge level

From the above table, it can be observed that among the beneficiaries majority (50.00%) of the respondents have medium levels regarding the knowledge level towards FPO, followed by (40.00%) per cent of the respondents with high levels of knowledge and (10.00%) per cent of the respondents with low levels of knowledge towards FPO. Similarly, among non-beneficiaries most (48.33%) of the respondents were found to have low levels of knowledge regarding the

FPO followed by (36.00%) per cent of medium levels of knowledge and (16.66%) per cent of the respondents with high levels of knowledge towards FPO.

### Constraints faced by the respondents

**Table no 3, Distribution of respondents according to their constraints faced by the respondents.**

S.NO	Constraints	Frequency	Percentage	Rank
1	Lack of well developed storage facilities.	63	52.5	I
2	Lack of well developed processing facilities.	60	50.00	II
3	Lack of technical skill of labourers in harvesting ,processing.	58	48.33	III
4	Lack of awareness about grading and packaging.	55	45.83	IV
5	Lack of proper infrastructure (implements, irrigation facilities, power and electricity).	52	43.33	V
6	Lack of sufficient finance.	48	40.00	VI
7	Lack of latest market information.	45	37.5	VII
8	Distant market and high cost of transportation.	40	33.33	VIII
9	Exploitation by middleman.	38	31.66	IX
10	Lack of price policy by the government	33	27.5	X

It could be seen from the above table constraints faced by the respondents in farmer producer organization. (52.5%) of the respondents have given their feedback that they are facing lack of well developed storage facilities (rank I). (50%) of the respondents are facing Lack of well developed processing facilities. (rank II).48.33% of the respondents have faced the problem of lack of technical skill of labourers in harvesting ,processing (rank III). (45.83%) of the respondents did not have the awareness about the grading and packaging (rank IV). (43.33%) of the respondents have given the feedback that they are not having proper infrastructure facilities (rank V). (40%) of the respondents are not having sufficient finance (rank VI). (37.5%) of the respondents are facing lack of latest market information (rank VII). (33.33%) of the respondents are having the markets at long distance due to which the cost of transportation is high (rank VIII). (31.66%) of the respondents are being exploited by the middle men (rank IX). (27.5%) of the respondents have raised the problem of low price policy by the government side (rank X).

**Table no 4, Suggestions by the respondents to minimize the constraints.**

S.NO	SUGGESTIONS	FREQUENCY	PERCENTAGE	RANK
1	Efficient supply of inputs	25	20.83	I
2	Processing, storage and transport facilities	20	16.66	II
3	Higher and stable price of product	16	13.33	III
4	Improvement in training and demonstration	11	9.16	IV
5	Village level worker (Agri. Assistant) should provide information about various programmes including FPO.	10	8.33	V

<b>6</b>	Wide publicity should be given to the concept of FPO for increasing awareness among the farmers.	<b>10</b>	<b>8.33</b>	<b>VI</b>
<b>7</b>	provision of infrastructure facilities and inputs at subsidized rates.	<b>10</b>	<b>8.33</b>	<b>VII</b>
<b>8</b>	Supply and value chain guidance	<b>10</b>	<b>8.33</b>	<b>VIII</b>
<b>9</b>	Enhance government support	<b>8</b>	<b>6.66</b>	<b>SIX</b>

From the above table it can be observed that majority (20.83%) of the respondents have suggested that FPO should provide Efficient supply of inputs (16.66%) per cent of the respondents suggested should provide proper Processing, storage and transport facilities,(13.33%) per cent of the respondents suggested Higher and stable price of product, (9.16%) per cent of the respondents suggested Improvement in training and demonstration (8.33%) per cent of the respondents suggested Village level worker (Agri. Assistant) should provide information about various programmes including FPO, Wide publicity should be given to the concept of FPO for increasing awareness among the farmers, provision of infrastructure facilities and inputs at subsidized rates, Supply and value chain guidance (6.66%) per cent of the respondents suggested Enhance government support.

## **CONCLUSION**

Most of the beneficiaries had medium levels of knowledge and most of the non-beneficiaries had low levels of knowledge regarding the organization. It can be said that beneficiaries had more knowledge about the benefits and working of the scheme rather than the non-beneficiaries.

Also most of the respondents have faced constraints like Lack of well developed storage facilities, Lack of well developed processing facilities, Lack of technical skill of labourers in harvesting ,processing, Lack of awareness about grading and packaging, Lack of proper infrastructure(implements, irrigation facilities, power and electricity), Lack of latest market information, Distant market and high cost of transportation, Exploitation by middleman, Lack of price policy by the government.

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