



**ROLE OF INDIAN FARMER PRODUCER COMPANIES IN MARKETING OF AGRICULTURAL PRODUCE WITH SPECIAL REFERENCE TO NASIK DISTRICT:
A REVIEW**

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ABSTRACT

Farmer Producer Companies (FPCs) are playing a significant role in the marketing of agricultural produce in India. FPCs are formed by small and marginal farmers, who come together to undertake collective farming activities, including production, processing, and marketing of agricultural produce. FPCs are also playing a significant role in promoting value addition in agriculture by processing and packaging agricultural produce. By adding value to their produce, FPCs are able to earn higher prices for their members and create employment opportunities in rural areas.

This Research focuses on benefits of FPO to the farmers in Nashik district and various marketing channels adapted by FPO to getting better price of farmers produce. FPO has planning to increase his membership of farmers and given better price of their produce and given better services to farmers as compared to Agriculture Produce Market committees and regional market places. FPC in Nashik district provides field visits of farms to understand the problems and given technical advice to them. FPC's in Nashik district develop online applications for ordering fresh fruits and vegetables so that consumer receives fresh farm produce and farmers getting better price of their produce.

Key Words: Producer Companies, Agriculture Produce, Market committees, regional market, farmers.

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INTRODUCTION

Agriculture is the only industry that has positively contributed to Covid-19 pandemic, with growth of 3.4% in both the first quarter of the fiscal year 2020–21. Farmers face a variety of difficulties, including limited access to land and water, impassable roads, a lack of adequate financial services, and the adoption of new technologies. By tackling the issues facing the farm industry, the government hopes to double farmers' income in 2023- 2024. Farmers may engage and strengthen their potential to collectively utilise their production and marketing strength through farmer producer organisations (FPOs), which the government has endorsed as the most suitable institutional structure.

Farmer Producer Organization, which is a group of farmers who come together to collectively perform activities related to agriculture, including production, harvesting, processing, packaging, and marketing of agricultural products. FPOs are established to enhance the bargaining power of farmers, to enable them to negotiate better prices for their produce, and to provide them with access to technology, finance, and markets. In India, the concept of FPOs was introduced in 2011 as part of the National Policy for Farmers. The government has been promoting the formation of FPOs by providing financial and technical assistance through various schemes and programs. FPOs enable farmers to negotiate better prices for their produce, as they can collectively bargain with buyers. FPOs provide farmers with access to technology, such as improved seeds and farming techniques, which can improve their productivity and profitability. FPOs can access finance from banks and other financial institutions, which can help them to invest in their farms and improve their production.

FPOs can help farmers to access markets by aggregating their produce and negotiating with buyers on their behalf. FPOs can reduce the transaction costs associated with marketing agricultural produce by aggregating produce and negotiating with buyers. FPOs provide farmers with a platform to come together and negotiate better prices for their produce. This helps them get a fair price for their crops, which in turn increases their income and improves their economic conditions.

FPOs help farmers to access markets, by aggregating their produce and establishing direct linkages with buyers. This ensures that farmers get a better price for their produce and reduces their dependence on intermediaries. FPOs can help farmers procure quality inputs such as seeds, fertilizers, and pesticides at

reasonable prices by bulk purchasing. This reduces the cost of inputs for farmers and ensures that they get quality inputs. FPOs can play a crucial role in promoting the adoption of new farming technologies

Practices, which can increase productivity and reduce costs. This can help farmers improve their income and enhance their overall economic conditions. FPOs can provide training and capacity building to farmers on various aspects such as crop management, post-harvest handling, financial management, and marketing. This helps farmers develop skills and knowledge that can improve their farming practices and increase their income. FPOs can help farmers mitigate risks by pooling resources and sharing risks collectively. For example, they can provide crop insurance, establish a contingency fund, or provide credit facilities.

Farmer Producer Companies (FPCs) provide various services to their farmer members, such as access to inputs, credit facilities, market linkages, and technology transfer. By availing these services, FPC members can reduce their expenses and increase their incomes. FPCs can aggregate demand for inputs like seeds and fertilizers, negotiate better prices with suppliers, and pass on the benefits to their members. Similarly, FPCs can provide credit facilities to their members at lower interest rates than what is available from informal sources, reducing their cost of borrowing. FPCs can also help their members in accessing markets and obtaining better prices for their produce by providing market information, value addition services, and storage facilities.

Farmer Producer Companies (FPCs) play a significant role in the upliftment of farmer members by providing them with access to various services such as inputs, credit facilities, market linkages, and technology transfer. By availing these services, FPC members can increase their productivity, reduce their expenses, and obtain better prices for their produce, leading to an increase in their average income.

FPCs can aggregate demand for inputs like seeds and fertilizers, negotiate better prices with suppliers, and pass on the benefits to their members. FPCs can also provide credit facilities to their members at lower interest rates than what is available from informal sources, reducing their cost of borrowing. Additionally, FPCs can help their members in accessing markets and obtaining better prices for their produce by providing market information, value addition services, and storage facilities. By reducing input costs, increasing yields, and obtaining better prices, FPC members can increase their overall income. This, in

turn, can contribute to the upliftment of their standard of living, including access to better healthcare, education, and nutrition.

Thus, FPCs can play a significant role in the economic empowerment and social upliftment of their farmer members.

Prominent Examples of FPO:

Sahyadri Farmers Producer Company Limited: It is one of the largest FPOs in Maharashtra, with over 8,000 farmer members. It was established in 2010 and operates in the western Maharashtra region. Sahyadri FPC focuses on the production and marketing of fruits, vegetables, spices, and grains.

Nashik Taluka Grape Growers Producer Company Ltd.: This FPC was established in 2012 and is focused on the production and marketing of grapes. It has around 500 farmers as members who collectively manage around 1,000 acres of vineyards. The FPC provides various services to its members, including training on modern farming practices, access to credit, and marketing support.

Suminter India Organics: It is an FPO that focuses on the production and marketing of organic products. Suminter India Organics was established in 2003 and has over 20,000 farmer members across India. It operates in Maharashtra and other states and exports its products to several countries.

Nashik Taluka Farmer Producer Company Ltd.: This FPC was established in 2014 and is focused on the production and marketing of various crops, including vegetables, fruits, and cereals. It has around 500 members who collectively manage around 1,000 acres of farmland. The FPC provides various services to its members, including training on modern farming practices, access to markets, and financial support.

Marketing channels adopted by FPO:

Direct marketing:

FPOs sell their produce directly to buyers such as wholesalers, processors, retailers, and exporters. This eliminates the need for intermediaries, reduces transaction costs, and ensures better prices for farmers.

Contract farming:

FPOs enter into agreements with buyers to supply a specified quantity and quality of produce at a pre-determined price. This provides a guaranteed market for farmers, reduces market risks, and ensures a stable income for the FPO.

Farmers' markets:

FPOs set up their own markets or participate in existing farmers' markets to sell their produce directly to

Consumers. This provides farmers with an opportunity to interact with consumers, receive feedback, and obtain better prices.

Online marketing:

FPOs use digital platforms such as e-commerce websites, mobile applications, and social media to sell their produce directly to consumers. This expands their market reach, reduces transaction costs, and provides better prices to farmers.

Processing and value addition:

FPOs process their produce into value-added products such as jams, pickles, and juices and sell them directly to consumers or through retail outlets. This increases their income, reduces post-harvest losses, and enhances the value of their produce.

Export marketing:

FPOs sell their produce directly to foreign buyers or through export houses. This provides farmers with access to higher-paying markets, increases their income, and promotes the export of high-quality agricultural products.

REVIEW OF LITERATURE:

- 1. R. P. Singh and P. K. Joshi, 2014. :** This book provides an overview of Farmers Producer Organizations (FPOs) in India, including their history, structure, governance, and performance. It also discusses the policy framework and challenges faced by FPOs in India.
- 2. S. S. Acharya, published by Concept Publishing Company in 2017.**
This book showcases success stories and best practices of various FPOs in India. It includes case studies on FPOs in different sectors, such as dairy, horticulture, and agroforestry, and provides insights into their business models, marketing strategies, and impact.
- 3. P. S. Birthal, N. Chandrasekhara Rao, and J. V. Meenakshi, published by Springer in 2020.**
This book examines the role of FPOs in empowering farmers and improving their livelihoods. It covers topics such as the legal and regulatory framework for FPOs, their financial and institutional arrangements, and their impact on farm productivity and income.
- 4. K. R. K. Reddy, published by Springer in 2020.**
This book analyses the management and performance of Farmer Producer Companies (FPCs) in India. It covers topics such as the governance structure of FPCs, their business strategies, and their impact on farmers and rural development.
- 5. M. C. Diwakar, published by Lambert Academic Publishing in 2021.**
This book presents a study on the potential and performance of FPCs in India. It includes a review of literature on FPCs, a survey of FPCs in Karnataka, and an analysis of their financial and operational performance.

OBJECTIVES:

1. To analyse impact of FPO to Farmers.
2. To analyse the role of FPO in farmers development.

3. To study the marketing channels adopted by FPO.
4. To analyse services provided by FPO to Farmers.

RESEARCH QUESTIONS:

1. What are the different services provided by farmer producer companies to farmers?
2. What kinds of roles playing farmers producer companies to increase annual income of the farmers?
3. What kinds of practices followed by farmer producer companies to remove of middlemen and receive more prices of their produce?

RESEARCH METHODOLOGY:

Secondary data: The different available sources such as reference books, journals, articles, reports, case studies were supportive were collected for secondary data.

Scope of the Research:

Smallholders can raise investment, strengthen their negotiating position, lift value chains, and better their access to markets and technology by joining together into FPCs.

RESEARCH FINDINGS:

- FPOs can have a positive impact on farmers by improving their access to markets, technology, inputs, and information, enhancing their bargaining power, reducing their production costs, and improving their overall socio-economic status.
- Services provided by FPCs can help their members reduce their input costs, increase their yields, and obtain better prices for their produce, leading to an overall reduction in expenses and improvement in their incomes.
- Farmer Producer Companies (FPCs) play a significant role in the upliftment of farmer members by providing them with access to various services such as inputs, credit facilities, market linkages, and technology transfer. By availing these services, FPC members can increase their productivity,

reduce their expenses, and obtain better prices for their produce, leading to an increase in their average income.

- By eliminating middlemen and enabling direct market access, FPOs can help farmer members receive better prices for their agricultural produce, leading to an increase in their earnings and overall income.
- FPOs have the potential to improve the livelihoods of farmers by enhancing their bargaining power and improving their access to markets.

CONCLUSIONS:

FPOs play a crucial role in the development of farmers by providing them with market linkages, access to inputs, technology adoption, capacity building, and risk mitigation. This can help farmers improve their income, reduce poverty, and enhance their overall socio-economic conditions. FPOs adopt various marketing channels to sell their produce, including direct marketing, contract farming, farmers' markets, online marketing, processing and value addition, and export marketing. These channels provide farmers with access to better prices, reduce transaction costs, and enhance their income. FPOs provide a range of services to farmers, including market linkages, input procurement, technology adoption, capacity building, credit facilities, risk mitigation, processing and value addition, and advocacy and representation. These services can improve the socio-economic conditions of farmers, enhance their income, and promote sustainable agriculture. FPOs are making a significant contribution to the rural economy of Maharashtra by enhancing the income of farmers and improving their access to markets and technology.

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