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A glimpse on farmer producer organizations: Retrospects and prospects

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Abstract

In India, small and marginal holdings constituted 86.08% with 46.94% of operational area according to Agriculture Census 2015-16 as against the corresponding figure of 85.01% with 44.58% operational area in 2010-11. Farmer Producer Organizations (FPO) can help farmers tackle productivity problems resulting from small farm sizes and encourage collective farming. These are also one means of entrepreneurial options in shifting from traditional to commercial agriculture. In recent years, there has been an increase in support for the establishment of FPOs through various institutions. However, the present problem is to make the FPOs long-term sustainable, viable, and successful. With this background, the present review paper attempts to delineate the role of FPOs with respect to technical support, market access and the empowerment of small and marginal farmers in India. It focusses on evolution, institutionalization and status of the Central Sector Scheme (CSS) for formation and promotion of 10,000 FPOs. This study insights into the region wise analysis of number of FPOs promoted by implementing agencies in India. The paper intends to analyze the impact created by FPOs at grass root level, convergence with KVKs, transformation into Farmer Producer Companies (FPCs) and challenges faced. As the FPO has been the way forward for entrepreneurship, future strategies for scaling up of FPO promotion by various stakeholders should focus on intense capacity building, forging linkages with the ecosystem, large scale impact assessment of FPOs, branding, replication of successful models, continuous monitoring and visibility promotion through social network platforms.

Keywords: Central sector scheme, entrepreneurship, FPO, impact, NABARD, SFAC

Introduction

India emerged as the top most population billionaire (1.429 billion) surpassed China (1.426 billion) according to World population prospects of 2023. The projections from the United Nations (2023) ^[55] revealed that, this trend is further expected to reach 1.67 billion in India and 1.31 billion in China by 2050. This growing population creates inequity between food supply and demand as it creates a gap which widens over the years. In order to feed this rapidly

expanding population, Indian farmers should start thinking like entrepreneurs and engage in commercial farming for long-term growth. This shift from traditional to commercial farming is the subject of current government programs as well. To achieve this, a greater focus on value addition is necessary as commercial farming is mostly focused on secondary agriculture. As this requires a more holistic approach, Farmer Producer Organizations (FPOs) can act as entrepreneurial vehicles, enabling farmers to collectively