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A comparative analysis of market facilities received by members and non-members of farmer producer organisations in Karnataka

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Abstract

This article analyses the market facilities available for members and non-members of FPOs present in Bidar and Kalaburagi districts of Karnataka. The results showed that members of Farmer Producer Organizations (FPOs) obtained better facilities related to information, procurement, processing, transportation, insurance, and storage facilities when compared to non-members. The backward and forward linkages established by the FPOs had helped members to full-fill their requirements.

Keywords: Market facilities, backward and forward linkages, FPOs, Karnataka

Introduction

India had over 146 million farm holdings as per the Agricultural Census, 2015-16. Of this, about 99.86 million were marginal farm holdings i.e. having an individual operational land holding of less than 1 hectare while another about 25.78 million were small farm holdings with individual operational land holding size between 1 to 2 hectares. Therefore, the marginal and small farm holdings together accounted for a whopping 86.21 per cent of the total farm holdings in India in 2015-16 (Agricultural census, 2015) [1]. However, their share in the country's total operated area was only 47.34 per cent. On a national average, the size of operational land holding of each farm varied from 0.38 hectare in the case of the marginal farm holdings to 1.41 hectares for small farm holdings to 17.10 hectares in the case of the large farm holdings, which worked out to 1.08 hectares for all farm holding groups taken together. Such is the predominance of small farms in Indian agriculture. As per estimates, about 1.5 to 2.0 million new marginal and small farms are being added every year due to continued land fragmentation.

Small Farmers' Agribusiness Consortium (SFAC), a society promoted by Department of Agriculture, Government of India, has been chosen by Ministry of Agriculture to act as a nodal organization to coordinate with various state governments, private sector, civil society partners, financial institutions, resource persons and other stakeholders to aid in the conduct of baseline studies to promote Farmer Producer Organizations (FPOs) across the country and link producer groups (both existing ones and newly formed institutions) to marketing opportunities. SFAC has initiated FPO with the purpose to collectivize farmers, especially small and marginal producers, at various levels across several states, to foster technology penetration, improve productivity, enable improved access to inputs and services and increase farmer incomes, thereby augmenting their sustainable agriculture-based livelihoods.

FPOs would be supported to evolve as nodal points for pooling of produce, transmission of farm technology, input supply, and credit to leverage better prices. As federated organizations, FPOs are deemed to enhance backward and forward linkages through negotiating power, including linkages with financial institutions and associations between farmers, processors, traders, retailers, transport services and customers.

The NGOs namely Vrutti Livelihood Resource Centre (VLRC) and Indian Society of Agribusiness Professionals (ISAP) have been helping the associated FPOs to develop suitable strategies for providing adequate market facilities for their produce. Thus in the present study, the market facilities received by the members of 5 FPOs were compared with the market facilities of non-members of FPOs.

Materials and Methods

The ex-post facto research design was followed in this study. The State of Karnataka was purposively selected. Five Farmer producer organizations (FPOs) were purposively selected

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based on the year of establishment. Two FPOs from Bidar district one each from Bhalki (Jai Kisan Souharda Multipurpose Cooperative Limited-JKSMCL) and Basavakalyan (Basaveswara Souharda Multipurpose Cooperative Limited-BSMCL) taluk and three FPOs from Kalaburagi district with one each from Kalaburagi (Rohini Krushikara Producer Company Limited-RKPCL), Aland (Nisarga Krushikara Producer Company Limited-NKPCL) and Sedam (Balabheemasena Krushikara Producer Company Limited-BKPCL) taluk were selected. From each FPO thirty members were randomly selected and thirty non-members were selected from surrounding cluster of villages of each FPO thus forming a total of 300 respondents. Personal interview was conducted with the help of a structured interview schedule.

Results and Discussion

It is evident from Table 1 that most of the members were getting marketing information related to availability and price of inputs (100.00%), price of the produce (100.00%) and suitability of crops or agribusiness enterprises before their initiation (56.67%) from the FPOs but in case of non-members only about 45.33 per cent were getting information related to availability and price of the inputs, 28.00 per cent

about price of outputs and 14.67 per cent about suitability of crops for the upcoming season.

With respect to procurement facilities cent per cent used facilities of FPOs. Whereas about 76.00 per cent of non-members were getting procurement facilities of societies. The SFAC had been promoting price support scheme and market intervention schemes through FPOs which are procuring the produce of its shareholders. As the members expressed, the FPOs were procuring up to 20 quintals of produce from farmers which were against the mere 4 quintals of societies.

In case of storage facilities, 78.67 and 21.33 per cent of member farmers were storing their produce at their home and warehouses respectively. Whereas 97.33 per cent of non-members were storing their produce at their houses. A negligible proportion (2.67%) had used warehouses for the storage. Those farmers who used warehouses for storage also got the warehouse receipts. The APMC mandi act had provided a new prospect of utilizing the facilities of APMC markets by the farmers of FPOs.

Only 16.00 per cent of members had processing facilities and in the case of non-members, it was 2.67 per cent. The mini dal mills provided by FPOs BKPCL, JKMSCL and BMSCL had been helping the farmers to get their red gram products, however, the scale of processing was limited to one quintal per hour which hinder the large scale processing.

Table 1: Comparison of market facilities received by sample respondents

S. No.	Facilities	Member farmers (n=150)		Non-member farmers (n=150)	
		Frequency	%	Frequency	%
1.	Information facilities				
a.	Availability and price of inputs	150	100.00	68	45.33
b.	Price of outputs	150	100.00	42	28.00
c.	Suitability of crop or enterprise before take up	85	56.67	22	14.67
2.	Procurement facilities	150	100.00	114	76.00
3.	Storage facilities				
a.	At home	118	78.67	146	97.33
b.	At warehouse	32	21.33	4	2.67
4.	Processing facilities	24	16.00	4	2.67
5.	Transportation facilities	104	69.33	81	54.00
6.	Insurance facilities (PMPBY)	115	76.67	22	14.67

More than fifty per cent of the member (69.33%) and non-member (54.00%) farmers expressed that they had good transport facilities. Members felt that due to facilities provided by the FPOs like input supply at village doorsteps, procurement facilities at nearer villages had helped them to reduce their transportation hurdles.

More than 3/4th of the member farmers (76.67%) had insured under Pradhan Mantra Phasal Bhima Yojana (PMPBY). But in the case of non-members only about fifteen per cent enrolled for insurance services (14.67%).

The FPOs have been mobilizing their members to actively participate in training as well as development activities which ensured the adequate reach of market services for them. The FPOs are also making use of bargaining power to get input services at reasonable rate especially in case of plant protection chemicals.

The findings are in the agreement with the results of Vadivelu and Kiran (2013) ^[5], Trebbin and Hassler (2012) ^[4], and Panda and Singh (2016) ^[3].

Conclusion

The networking linkages established by the FPOs had been providing backward as well forward facilities. The corporate nature of the relationship with supporting agencies especially

with non-governmental organizations had helped the FPOs to get adequate market services such as quality inputs, timely information, etc. Hence the government should provide adequate and constant support like financial capital, network linkages, and favourable policies related to labour and procurement, etc. to encourage the FPOs to full-fill the interests of farmers.

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