

## Farmar Producer Organization (FPO): A Study in Cuddalore District

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### Abstract

This paper mainly speaks about the study of the profile of chosen FPOs and its members. Concerning the profile of FPO members. Three FPOs were chosen randomly from 3 different promoting institutes establishment in the Cuddalore district, i.e. Vadalur Musa Cocos Farmers Producer Company Limited [VMCFP.Ltd] promoted by Unique Educational Trust(UET), Keerapalayam Collective Farming Farmers Producer Company Limited [KMCFPP .Ltd] promoted by National Agro Foundation[NAF], Chennai and Cuddalore District Mangalore Millets Farmer Producer Company Ltd [CDMMF .Ltd]., promoted by Centre for Indian Knowledge Systems [CIKS]. The results of the study revealed that, large part of farmers with middle age (45.33%), school education (37.33%), with medium farming experience (37.33%) . Majority of respondents perceived that with respect to management and governance characteristics of FPO had average group leadership (42.66%), fair group communication (50.66%) and medium adherence to rules(64.00%). As membership commitment majority of respondents had medium group participation (69.33%), medium group cohesiveness (48.00%) and medium team spirit (56.00%). The study shows that majority of the farmers are semi medium farmers holding 2 to 4 hectares of land.

**Keywords:** Farmer producer organizations; profile characteristics; promoting institute.

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## INTRODUCTION

The primary point of FPOs was to help the small holder farmers to achieve the financial aspects of scale by strengthening the support and services in the emerging value chains. There are few characteristics which hold farmer organizations together – a typical interest, mandatory membership, rules, regulations and discipline, adherence to quality standards in production and shared roles and responsibilities on a turn premise. The basic thought is that farmers' organizations will strengthen the farmers' negotiation position in relation to the purchasers, reducing transaction costs and production risks faced by the farmers. FPOs can proceed to form, only when its management systems, governance and capital structure are solid.

## **METHODOLOGY**

A research configuration was adopted for the review. Three FPOs were selected randomly from 3 different promoting institutes working in the Cuddalore district viz., Vadalur Musa Cocos Farmers Producer Company Limited [VMCFP. Ltd] promoted by Unique Educational Trust (UET), Keerapalayam Collective Farming Farmers Producer Company Limited [KMCFFP. <sup>1</sup> Ltd] promoted by National Agro Foundation[NAF], Chennai and Cuddalore District Mangalore Millets Farmer Producer Company Limited[ CDMMF .Ltd] promoted by Centre for Indian Knowledge Systems [CIKS]. From each of the chosen FPO, 25farmers were randomly selected. Totally 75 farmers were selected at random for the present study. In this study an attempt was made to show the profile of farmer members in the FPOs of Cuddalore District.

## **RESULTS AND DISCUSSION**

### **Profile of Selected Farmer Producer Organizations**

#### **Vadalur Musa Cocos Farmers Producer Company Limited [ VMCFP. Ltd]**

The profile of Vadalur Musa Cocos Farmers Producer Company Limited [VMCFP. Ltd] was referenced in Table 1. The FPO is placed at vadalur village Cuddalore district of Tamil Nadu state. This is a Private company incorporated on Monday, 22 October 2018 with authorized share capital of Rs.1,000,000 and has paid up capital of Rs.10,000. It is involved in Activities Agriculture, Hunting and related Service activities with 237 members. The greater part of the members in this study area develops a wide range of vegetables supplying to the city market. The targets of this FPO were providing needed inputs, technical and advisory services, ensuring better price to the commodities to the members and encouraging member farmers to shift to organic cultivation.

#### **Cuddalore District Mangalore Millets Farmer Producer Company Limited [CDMMF.Ltd]**

The profile of Cuddalore District Mangalore Millets Farmer Producer Company Limited [CDMMF.Ltd] with reference to Table 1. The FPO was situated in kezhkkalpoondy village, thittakudi, Cuddalore district of Tamil nadu state It is a Private fused company started on 18 August 2014. Its official share capital is Rs. 2,500,000 and its paid up capital is Rs. 1,982,000. It is associated in Agricultural and animal husbandry service activities, except veterinary activities. They mostly developed Maize, millets, paddy and other horticultural crops. The targets of this FPO were giving need- based quality information sources, technical support by liaisoning with respective agencies and market access to the shareholders.

#### **Keerapalayam Collective Farming Farmers Producer Company Limited [KMCFFP. Ltd]**

The basic profile of Keerapalayam Collective Farming Farmers Producer Company Limited [KMCFFP .Ltd] was mentioned in Table 1. The FPO was registered on 26 Jul 2018 located on Keerapalayam, Chidambaram Taluk Cuddalore, tamil nadu with a paid up capital of 9.00 lakh. It is classified as Non-govt Company and is registered at Registrar of Companies, Chennai. They mainly cultivated Paddy, Pulses, Vegetables, sesame and Arumbu which mainly deals with Growing Of Crops; Market Gardening; Horticulture

From table 1 it can be inferred that the share capital of FPOs increases as membership increases which is observed in case of [CDMMF. Ltd]. [CDMMF. Ltd] had the highest number of members

due to their incorporation of their cooperative whereas in case of both [VMCFP. Ltd] and [KMCFFP. Ltd]. had comparatively less members due to membership fees and the FPO preferred horticulture farmers respectively. [KMCFFP. Ltd] covered less number of villages compared to other FPOs due to the presence of other FPO. [KMCFFP. Ltd]. In case of [KMCFFP. Ltd] the business activities are Growing Of Crops; Market Gardening; Horticulture etc. The main business of (VMCFP. Ltd.) are Activities Establishing A Crop, Promoting Its Growth Or Protecting It From Disease And Insects and the main business activities of (CDMMF Ltd.) are other Agricultural And Animal Husbandry Service Activities,

**Table 1. Profile of selected FPOs**

| S.No | Particulars                                       | VMCFP. Ltd   | CDMMF .Ltd   | KMCFFP. Ltd                                       |
|------|---|--|--|---|
| 1    | Date of Registration                              | 22-10-2018   | 18-08-2014   | 26-07-2018  |
| 2    | Company No  | 096962   | 125351   | 123857  |
| 3    | ROC Code  | RoC-Chennai<br>RoC-Chennai   | RoC-Chennai  | RoC-Chennai                                       |
| 4    | Authorised capital Rs. Lakh)                      | 10.00  | 25.00  | 10  |
| 5    | Paid up capital Rs. Lakh)                         | 0.10   | 19.82  | 09  |
| 6    | Membership fee ( Rs)                              | 1000   | 1100   | 1000  |
| 7    | No. of members                                    | 237  | 500  | 179   |
| 8    | No. of Directors                                  | 05   | 10   | 09  |
| 9    | No. of staff                                      | 09   | 03   | 07( 3+4)  |
| 10   | Villages covered                                  | 30   | 35   | 10  |
| 11   | Crops covered                                     | Coconut, banana  | Maize, millets, paddy  | Paddy, Pulses, sesame<br>Vegetables and<br>Arumbu |
| 12   | Trainings received by officials on FPO management | 7  | 5  | 12  |
| 13   | Main business                                     | Activities Establishing A Crop, Promoting Its Growth Or Protecting It From Disease And Insects | Other Agricultural And Animal Husbandry Service Activities, N.E.C. | Growing Of Crops; Market Gardening; Horticulture  |
| 14   | Business license                                  | Pesticide license  | Seed license<br>Fertilizer license<br>Pesticide license            | Seed license<br>Fertilizer license                |

source: Secondary source Profile Characteristics of FPO Members

The data collected on the selected profile characteristics were analyzed, interpreted, and accordingly the following results and conclusion were drawn.

### Age

The chronological age of the respondent in terms of the total number of years completed at the time of conducting the study. It is evident from the Table 2. that majority of the respondents belonged to middle age (60.00%) In [VMCFP. Ltd], younger age (52.00%) in [CDMMF .Ltd], middle age (44.00%) in[KMCFPP. Ltd] and on the whole it was middle age (45.33%).

### Education

It could be observed from the Table 2. that majority of the respondents revealed that their level of education was up to school education(40 percent) in VMCFP Ltd., (52.00%) in [KMCFPP. Ltd], illiterate (44percent) in [CDMMF .Ltd].

**Table 2. Distribution of respondents based on their age, education and (n = 75)**

| S.No             | Particulars            | VMCFP. Ltd |               | CDMMF.Ltd |               | KMCFPP. Ltd |               | TOTAL     |              |
|------------------|------------------------|------------|---------------|-----------|---------------|-------------|---------------|-----------|--------------|
|                  |                        | F          | %             | F         | %             | F           | %             | F         | %            |
| <b>Age</b>       |                        |            |               |           |               |             |               |           |              |
| 1                | Young (Up to 36 years) | 7          | 28.00         | 13        | 52.00         | 9           | 36.00         | 29        | 38.66        |
| 2                | Middle (37 – 49 years) | 15         | 60.00         | 8         | 32.00         | 11          | 44.00         | 34        | 45.33        |
| 3                | Old (Above 50 years)   | 3          | 12.00         | 4         | 16.00         | 5           | 20.00         | 12        | 16.00        |
|                  | <b>Total</b>           | <b>25</b>  | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>25</b>   | <b>100.00</b> | <b>75</b> | <b>99.99</b> |
| <b>Education</b> |                        |            |               |           |               |             |               |           |              |
| 1                | Illiterate             | 8          | 32.00         | 11        | 44.00         | 4           | 16.00         | 23        | 30.66        |
| 2                | School education       | 10         | 40.00         | 5         | 20.00         | 13          | 52.00         | 28        | 37.33        |
| 3                | Collage education      | 7          | 28.00         | 9         | 36.00         | 8           | 32.00         | 24        | 32.00        |
|                  | <b>Total</b>           | <b>25</b>  | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>25</b>   | <b>100.00</b> | <b>75</b> | <b>99.99</b> |

Source: primary data

### Land Holding

Respondents were classified by firm-size wise and presented in Table 3. It is evident from the table that majority of the respondents revealed that their size of land holdings was semi medium (48.00%) in [KMCFPP. Ltd], small (36.00%) in [CDMMFLtd.] and semi medium (36 percent) in VMCFP Ltd. on the whole it was semi medium (36.00%). The reason for this could be that fragmentation of land holdings from generation to generation leading to turning of large farmers into semi medium and marginal.

**Table 3. Distribution of respondents based on their land holding, farming experience and farm income (n =75)**

| S.No                      | Particulars                     | VMCFP.<br>Ltd |                    | CDMMF .Ltd |               | KMCFFP.<br>Ltd |               | total     |              |
|---------------------------|---------------------------------|---------------|--------------------|------------|---------------|----------------|---------------|-----------|--------------|
|                           |                                 | F             | %                  | F          | %             | F              | %             | F         | %            |
| <b>Land holding</b>       |                                 |               |                    |            |               |                |               |           |              |
| 1                         | Marginal (Less than 1 ha)       | 3             | 12.00              | 4          | 16.00         | 5              | 20.00         | 12        | 16.00        |
| 2                         | Small (Between 1 to 2 ha)       | 8             | 32.00              | 9          | 36.00         | 5              | 20.00         | 22        | 29.33        |
| 3                         | Semi medium (Between 2 to 4 ha) | 9             | 36.00              | 6          | 24.00         | 12             | 48.00         | 27        | 36.00        |
| 4                         | Medium (Between 4 to 10 ha)     | 5             | 20.00              | 6          | 24.00         | 3              | 12.00         | 14        | 18.00        |
|                           | <b>Total</b>                    | <b>25</b>     | <b>100.00</b>      | <b>25</b>  | <b>100.00</b> | <b>25</b>      | <b>100.00</b> | <b>75</b> | <b>99.99</b> |
| <b>Farming experience</b> |                                 |               |                    |            |               |                |               |           |              |
| 1                         | Low (3 – 13 years)              | 7             | 28.00              | 8          | 32.00         | 9              | 36.00         | 24        | 32.00        |
| 2                         | Medium (14 – 24 years)          | 8             | 32.00              | 11         | 44.00         | 9              | 36.00         | 28        | 37.33        |
| 3                         | High (above 25- 40 years)       | 10            | 40.00              | 6          | 24.00         | 7              | 28.00         | 23        | 30.66        |
|                           | <b>Total</b>                    | <b>25</b>     | <b>100.00</b>      | <b>25</b>  | <b>100.00</b> | <b>25</b>      | <b>100.00</b> | <b>75</b> | <b>99.99</b> |
| <b>Farm income</b>        |                                 |               |                    |            |               |                |               |           |              |
| 1                         | Low (below 60,000)              | 4             | 16.00              | 2          | 8.00          | 9              | 36.00         | 15        | 20.00        |
| 2                         | Medium (60,000,20,000)          | 10            | 40.00              | 17         | 68.00         | 13             | 52.00         | 40        | 53.33        |
| 3                         | High (above 1,20,000)           | 11            | 44.00 <sup>4</sup> | 6          | 24.00         | 3              | 12.00         | 20        | 26.66        |
|                           | <b>Total</b>                    | <b>25</b>     | <b>100.00</b>      | <b>25</b>  | <b>100.00</b> | <b>25</b>      | <b>100.00</b> | <b>75</b> | <b>99.99</b> |

**Source: primary data Farming Experience**

From Table 3. Farmers were classified based on farming experience. The results indicated that, the majority of the respondents perceived that level of farming experience was medium (44.00%) in [CDMMF.Ltd], high (40.00%) in [VMCFP .Ltd], and on the whole it was medium (37.33%). The reason for medium and high farming experience could be attributed to their middle age and old age.

### **Farm Income**

From Table 3. were classified based on income earned by the respondents in a year and majority of the respondents revealed that their farm income level was medium (68.00%) in [CDMMF .Ltd], high income (44.00%) in [VMCFP .Ltd], and medium (52.00%) in [KMCFFP. Ltd] and on the whole it was medium (53.33%). Agriculture was the main activity for the farmers. Reason for medium annual income could be lack of subsidiary activities and mono cropping.

### Group Leadership

In Table 4. FPOs were classified based on group leadership. The results indicated that, majority of the respondents perceived that group leadership was average (54.00%) in [VMCFP .Ltd], poor (24.00%) in[VMCFP .Ltd], and good (56.00%) in [CDMMF .Ltd] and on the whole it was poor (18.66%). This could be attributed to insufficient technical knowledge, skills and qualities needed to achieve FPO objectives.

### Group Communication

In Table 4. FPOs were classified based on group communication. The results indicated that, majority of the respondents perceived that group communication was fair (64.00%) in [CDMMF .Ltd], unfair (28.00%) in [KMCFFP. Ltd], fair (48.57%) in [KMCFFP. Ltd]and (60.00) in [VMCFP .Ltd]and on the whole it was fair (50.66%). This could be because the group leader was empathetic and approachable and informal, friendly interactions among the group members lead to have a fair communication.

### Adhering to Rules

In Table 4. FPOs were classified based on adhering to rules. The results indicated that, It was operationally defined as the extent to which rules and regulations were adhered in the FPOs. It is evident from the Table 4. that majority of the respondents perceived that adherence to rules was medium (72.00%) in [VMCFP .Ltd], low (28.00%) in [KMCFFP. Ltd], medium (52.00%) in [KMCFFP. Ltd]and (68.00%)in [CDMMF .Ltd] and on the whole it was medium (64.00%). This could be due to the weak attendance of all the leaders for every meeting though record maintenance was noticed to be up todate.

### Group Participation

In Table 5. FPOs were classified based on group participation. The results indicated that, majority of the respondents perceived that group participation was medium (92.00%) in [VMCFP .Ltd], low (48.00%) in [KMCFFP. Ltd], high (16.00%) in [KMCFFP. Ltd]and on the whole it was medium (69.33%). This could be attributed to poor leadership and poor adherence to rules in the FPOs.

**Table 4. Distribution of respondents based on their group leadership, group communication and adhering to rules (n = 75)**

| S.No                       | Particulars    | VMCFP. Ltd |               | CDMMFP .Ltd |               | KMCFFP. Ltd |               | total     |              |
|----------------------------|----------------|------------|---------------|-------------|---------------|-------------|---------------|-----------|--------------|
|                            |                | F          | P             | F           | P             | F           | P             | F         | P            |
| <b>Group leadership</b>    |                |            |               |             |               |             |               |           |              |
| 1                          | Poor (5-7)     | 6          | 24.00         | 3           | 12.00         | 5           | 20.00         | 14        | 18.66        |
| 2                          | Average (7-9)  | 13         | 54.00         | 8           | 32.00         | 11          | 44.00         | 32        | 42.66        |
| 3                          | Good (9-12)    | 6          | 24.00         | 14          | 56.00         | 9           | 36.00         | 29        | 38.66        |
|                            | <b>Total</b>   | <b>25</b>  | <b>100.00</b> | <b>25</b>   | <b>100.00</b> | <b>25</b>   | <b>100.00</b> | <b>75</b> | <b>99.98</b> |
| <b>Group communication</b> |                |            |               |             |               |             |               |           |              |
| 1                          | Unfair (10-12) | 4          | 16.00         | 5           | 20.00         | 7           | 28.00         | 16        | 21.33        |

|                          |                   |           |               |           |               |           |               |           |              |
|--------------------------|-------------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|--------------|
| 2                        | Fair (12-14)      | 15        | 60.00         | 16        | 64.00         | 7         | 28.00         | 38        | 50.66        |
| 3                        | Very fair (14-16) | 6         | 24.00         | 4         | 16.00         | 11        | 44.00         | 21        | 28.00        |
|                          | <b>Total</b>      | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>75</b> | <b>99.99</b> |
| <b>Adhering to rules</b> |                   |           |               |           |               |           |               |           |              |
| 1                        | Low (9-11)        | 3         | 12.00         | 2         | 8.00          | 7         | 28.00         | 12        | 16.00        |
| 2                        | Medium(11-13)     | 18        | 72.00         | 17        | 68.00         | 13        | 52.00         | 48        | 64.00        |
| 3                        | High (13-15)      | 4         | 16.00         | 6         | 24.00         | 5         | 20.00         | 15        | 20.00        |
|                          | <b>Total</b>      | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>75</b> | <b>99.99</b> |

Source: primary source collected by authors

### Group Cohesiveness

In Table 5, FPOs were classified based on group cohesiveness. The results indicated that, majority of the respondents perceived that group cohesiveness was medium (72.00%) in [VMCFP.Ltd], medium (36.00%) in [CDMMF.Ltd], medium (44.11%) in [KMCFFP.Ltd] and on the whole it was medium (48.00%). This might be because of, the members were generally from the similar economic background, almost from the same locality and homogenous caste composition in case of [KMCFFP.Ltd], and [CDMMF.Ltd].

### Team Spirit

Respondents were classified by team spirit wise and presented in Table 5. It is evident from the table that majority of the respondents perceived that team spirit was medium (64.00%) in [KMCFFP. Ltd] , low (32.00%) in [KMCFFP. Ltd] , high (28.00%) in [CDMMF .Ltd] and on the whole it was medium (56.00%). This was because of the poor leadership, adhering to rules and participation in group activities.

**Table 5. Distribution of respondents based on group participation, group cohesiveness and team spirit (n = 75)**

| S.No                       | Particulars   | VMCFP. Ltd |               | C D M M F P .Ltd |               | KMCFFP. Ltd |               | total     |              |
|----------------------------|---------------|------------|---------------|------------------|---------------|-------------|---------------|-----------|--------------|
|                            |               | F          | P             | F                | P             | F           | P             | F         | P            |
| <b>Group participation</b> |               |            |               |                  |               |             |               |           |              |
| 1                          | Low (9-15)    | 1          | 04.00         | 3                | 12.00         | 12          | 48.00         | 16        | 21.33        |
| 2                          | Medium(15-21) | 23         | 92.00         | 20               | 80.00         | 9           | 36.00         | 52        | 69.33        |
| 3                          | High (21-27)  | 1          | 04.00         | 2                | 08.00         | 4           | 16.00         | 7         | 09.33        |
|                            | <b>Total</b>  | <b>25</b>  | <b>100.00</b> | <b>25</b>        | <b>100.00</b> | <b>25</b>   | <b>100.00</b> | <b>75</b> | <b>99.99</b> |
| <b>Group cohesiveness</b>  |               |            |               |                  |               |             |               |           |              |
| 1                          | Low (9-12)    | 4          | 16.00         | 9                | 36.00         | 10          | 40.00         | 23        | 30.66        |
| 2                          | Medium(12-15) | 18         | 72.00         | 9                | 36.00         | 9           | 36.00         | 36        | 48.00        |

|                    |               |           |               |           |               |           |               |           |              |
|--------------------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|--------------|
| 3                  | High (15-18)  | 3         | 12.00         | 7         | 28.00         | 6         | 24.00         | 16        | 21.33        |
|                    | <b>Total</b>  | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>75</b> | <b>99.99</b> |
| <b>Team spirit</b> |               |           |               |           |               |           |               |           |              |
| 1                  | Low (7-10)    | 6         | 24.00         | 7         | 28.00         | 8         | 32.00         | 21        | 28.00        |
| 2                  | Medium(10-13) | 15        | 60.00         | 11        | 44.00         | 16        | 64.00         | 42        | 56.00        |
| 3                  | High (13-15)  | 4         | 16.00         | 7         | 28.00         | 1         | 04.00         | 12        | 16.00        |
|                    | <b>Total</b>  | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>25</b> | <b>100.00</b> | <b>75</b> | <b>99.99</b> |

Source: primary data

## CONCLUSION

The present study explored the profile characteristics of FPOs and its members, in terms of farm size and income and other parameters. It was observed that FPOs consist of middle aged farmers who have completed primary education whereas in FPOs of young aged farmers who completed higher secondary level education coming from different communities. Overall the leadership was poor in FPOs which accounts for maintaining rules, encouraging members to participate will be associated as it was reflected in FPO where good leadership leads to high group participation, mobilizing young farmers from different communities and adhering to rules. Therefore the promoting institutes should concentrate on strengthening the governance and management in FPOs for viable and long time effective functioning.

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