



## **Constraints Faced by the Beneficiaries of Farmer Producer Organisations in Tamil Nadu (India)**

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### **ABSTRACT**

*This study was conducted with the aim of identifying the constraints faced by the beneficiaries of farmer producer organizations. It was conducted three districts namely Coimbatore, Erode and Trichy in the state of Tamil Nadu (India). From each selected FPO, 100 beneficiaries were selected randomly with simple random sampling technique. In this way total of 300 beneficiaries were considered as respondent for the study. It aims to identify the constraints faced by the beneficiaries of FPOs and to suggest the alternative strategies to overcome the constraints. The study was carried out on the constraints of beneficiaries in five dimensions, such as personal constraint, marketing constraint, labour and economic constraint, infrastructure constraint and organisational constraints. A total of 23 statements were prepared from these five dimensions and the survey was conducted among the beneficiaries. The results show that labour and economic constraints were the primary constraint of FPO beneficiaries. Following this, Personal constraints, Marketing constraints, Organizational constraints and Infrastructure constraints have been reported by beneficiaries. Overall, only around ten per cent (10.61 per cent) of the beneficiaries experienced the constraints. It ensures that almost 90.00 per cent of the beneficiaries are fully obtained the services from the farmer producer organisation. These results ensure that the FPOs of the study area serve better to the beneficiaries*

**Key words:** Farmers Producers Organisation (FPO), Beneficiaries, Constraints

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### **INTRODUCTION**

Agriculture is the main occupation in India. Majority of the population depends on Agriculture for their employment and livelihood purposes. Meanwhile, the size of operational holdings in India is constantly declining with each successive generation. The situation has raised serious question on the survivability of these small holders. India had about 138 million farm holdings. About 92.8 million of these had individual operational land holdings of less than 1 hectare, known as marginal farm holdings. Another 24.8 million were small farm holdings with individual operational land holding size less than 2 hectares. Therefore, the marginal and small farm holdings together accounted for a whopping 85.0 percent of the total farm holdings in India [1]. Being the small and marginal farmer they are facing lots of challenges and issues for to get proper adequate information regarding their production and productivity aspects was very poor. To save small farmers from the ill effects and challenges, there is a need to integrate them into the modern competitive markets in the concept of collectivization [2]. The concept of collectivization includes agricultural cooperatives, self-help groups, commodity interest groups, contract farming, direct marketing, farmer producer organisations, producer companies, etc.

Farmers Producer Organisation (FPOs) is well known as an innovative co-operative society in which those farmers who are the primary producers join together voluntarily to develop the company based on the significant principle; free membership and have a common interest of their members specifically developing technical and economic activities[3]. FPO helps the farmers to band together to access marketing resources, link to domestic and international markets, and receives inputs at the right time, in the right place, and in the right quantity in order to increase the farming community's sustainable revenue [4].

FPOs allow small farmers to compete in agribusinesses by giving them the opportunity to participate in the market more effectively and collectively. By reducing the transaction costs associated with accessing inputs and outputs, obtaining the necessary market information, securing access to new technologies, and tapping

into high value markets. FPOs provide various services for the farmers with the motivation of improving the socio-economic status of the farmers. Although they mostly reach the farmers, the farmers also face some constraints in obtaining them. This study was conducted with the aim of identifying the constraints faced by the beneficiaries of farmer producer organizations and to suggest the alternative strategies to overcome the constraints and to create some coping mechanisms for efficient FPO operation.

## MATERIAL AND METHODS

### Selection of study area

The present study was conducted in the state of Tamil Nadu. Three Farmer Producer Organisations were selected in Coimbatore, Erode and Trichy purposively, based on the categories that were functioning effectively according to government certification. The State Government of Tamil Nadu has honored these three FPOs with State Award for best governed FPO of Tamil Nadu.

### Selection of respondents

Beneficiaries were chosen in a proportional manner. From the three chosen FPOs, 100 beneficiaries will be chosen from each, taking the total 300 as the final sample size. These selections were done by using simple random sampling method.

### Research Design and Data collection

For the objective of to identify the constraints faced by the beneficiaries in farmers' producer organization, Ex-post facto research design was adopted in this study. The data were collected with the help of pretested interview schedule. The selected respondents were contacted and interviewed individually at their location of residence/field, and their responses were meticulously recorded in the schedule.

### Statistical analysis

Only when appropriate statistical tests are applied will the results and inferences be accurate. The gathered data were coded, tabulated, and analysed using frequency and percentage in accordance with the study's objectives.

## RESULTS AND DISCUSSION

The study was carried out on the constraints of beneficiaries in five dimensions, such as personal constraint, marketing constraint, labour and economic constraint, infrastructure constraint and organisational constraints. A total of 23 statements were prepared from these five dimensions and the survey was conducted among the beneficiaries.

Based on the frequency distribution, the category wise constraints are ranked and presented in the following tables.

**Table 1. Personal constraints experienced by the beneficiaries in FPOs (n=300)**

A	Personal Constraints			
S.No	Statements*	Number	Per Cent	Rank
1	Increased work load due to participation in the activities	35	11.66	II
2	Lack of support from the family members	39	13.00	I
3	Lack of management skill	30	10.00	III
4	Lack of time	29	09.66	IV
5	Lack of initiative	26	08.66	V
	<b>Mean percentage score</b>		<b>10.59</b>	

\*Multiple responses

It could be observed from the Table 1 that, the personal constraints of the beneficiaries of FPOs are analysed with five statements. The overall the personal constraints of the beneficiaries are 10.59 percent.

Among them, 13.00 percent of the beneficiaries reported 'Lack of support from the family members' as their primary constraint in this dimension. The reason might be that the beneficiaries may have needed to invest more time to participate in FPO activities. This finding is in accordance with the finding of Nisha [5]. Following that, 'Increased work load due to participation in the activities' (11.66 per cent), 'Lack of management skill' (10.00 per cent), 'Lack of time' (09.66 per cent) and 'Lack of initiative' (08.66 per cent) are reported by the beneficiaries to be a bit constraints in this category. This findings derives support from earlier findings of Venkatesan[6] and Venkatesan *et al.* [7].

The personal constraints faced by the beneficiaries were very less because majority of the beneficiaries reported that the services provided by the farmer producer organisation was very effective and their socio economic status was significantly improved after joining the farmer producer organization.

**Table 2. Marketing constraints experienced by the beneficiaries in FPOs (n=300)**

B	Marketing Constraints			
S.No	Statements*	Frequency	Per Cent	Rank
1	Lack of latest market information	25	08.33	IV
2	Delayed payment	38	12.66	II
3	Lower price for produce	31	10.33	III
4	Fluctuations of prices	40	13.33	I
5	High cost of transportation	23	07.66	V
	<b>Mean percentage score</b>		<b>10.46</b>	

\*Multiple responses

In marketing, Table 2 shows that five statements have been used to analyze the constraints faced by FPO beneficiaries. Only 10.46 percent of the beneficiaries encountered marketing constraints overall. Among these types of constraints, 13.33 per cent of the beneficiaries reported facing 'Fluctuations of prices' as the main challenge. Lack of bargaining power may be the reasons for it. This finding is consistent with the findings of Jitendra *et al.*, [8]. Next, it shows that 'Delayed payment' (12.66 per cent), 'Lower price for produce' (10.33 per cent), 'Lack of latest market information' (08.33 per cent) and 'High cost of transportation' (07.66 per cent) leads minimal constraints to beneficiaries. This findings is in conformity with the findings of Kathiravan *et al.*, [9], Chopade [10] and Navaneetham *et al.*, [11].

The majority of beneficiaries stated that sharing market information has been found to be very successful and helps beneficiaries make wise decisions. They benefit from having a better understanding of market data and consumer demand for new crops. As a result, the beneficiaries' marketing constraints were helped ease.

**Table 3. Labour and economic constraints experienced by the beneficiaries in FPOs (n=300)**

C	Labour and Economic Constraints			
S.No	Statements*	Frequency	Per Cent	Rank
1	Unavailability of labour during harvesting	31	10.33	VI
2	High cost of labour	36	12.00	IV
3	Lack of sufficient finance	33	11.00	V
4	Unawareness of credit facilities	39	13.00	III
5	Lack of knowledge on crop insurance facilities	54	18.00	I
6	Lack of knowledge on price policy by the Government	52	17.33	II
	<b>Mean percentage score</b>		<b>13.61</b>	

\*Multiple responses

Six statements are applied to explore the labour and economic constraints experienced by beneficiaries of FPOs in the Table 3. Around one-seventh (13.61 percent) of the beneficiaries reported that they face constraints in 'Labour and economic constraints' category over all. In this regard, one-fifth (18.00 percent) of the beneficiaries reported that 'lack of knowledge on crop insurance facilities' and 'Lack of knowledge on price policy by the Government' (17.33 per cent) were somewhat major constraints to availing these services. The reason might be due to lack of awareness in the area of crop insurance provided by Government/other organizations and to lack of awareness regarding the price policy by the Government. This finding would be supported by Pankaj Sharma [12] and Ankur [13].

Following that, 'Unawareness of credit facilities' (13.00 per cent), 'High cost of labour' (12.00 per cent), 'Lack of sufficient finance' (11.00 per cent) and 'Unavailability of labour during harvesting' (10.33 per cent) are reported by the beneficiaries to be a minor constraints in this category. The reason may be due to there was difficult to get man-power and financial support at the right time. This finding is in accordance with finding of were [14] and Rajini Devi [15].

Among the five categories of constrains, 'Labour and economic constrains' was encountered by the FPO beneficiaries as the somewhat major constraint. These constrains must be given special consideration, and strategies to address these challenges must be developed and submitted to planners and policy makers for solutions. The Government and NGOs must organize more awareness programme and trainings in these areas

**Table 4. Infrastructure constraints experienced by the beneficiaries in FPOs (n=300)**

D	Infrastructure Constraints			
S.No	Statements*	Frequency	Per Cent	Rank
1	Lack of proper infrastructure (implements, irrigation facilities, power and electricity)	29	09.66	II
2	Lack of well-developed storage and processing facilities	30	10.00	I
3	Computer illiteracy which makes them unable to derive benefits of the ICT tools available	19	06.33	III
	<b>Mean percentage score</b>		<b>08.66</b>	

\*Multiple responses

It was observed from the Table 4 that, the infrastructure constraints of FPO beneficiaries are analysed through three statements. Overall in this category, only less than ten percent of the beneficiaries stated that they faced constraints. From this, exactly 10.00 percent of the beneficiaries reported that 'Lack of well-developed storage and processing facilities' was the main challenge they faced. This finding is in line with Latynskiy [16] and Verma *et al.*, [17]. Subsequently, both the 'Lack of proper infrastructure (implements, irrigation facilities, power and electricity)' (09.66 per cent) and 'Computer illiteracy which makes them unable to derive benefits of the ICT tools available' (06.33 per cent) had reported that the main constraints. This finding is consistent with findings of Rajini Devi [15].

The infrastructure constraints conveyed by the beneficiaries was very least. The reason might be that majority of the beneficiaries had better level of extension agency contact and Officials of farmer producer organisations conducted meetings and technical sessions for the beneficiaries to get adequate awareness and knowledge.

**Table 5. Organizational constraints experienced by the beneficiaries in FPOs (n=300)**

E	Organizational Constraints			
S.No	Statements*	Frequency	Per Cent	Rank
1	Lack of coordination for group activities	31	10.33	II
2	Lack of support from the Government after established the FPO	30	10.00	III
3	Lack of connections with other institutions	21	07.00	IV
4	Lack of proper decision making ability	35	11.66	I
	<b>Mean percentage score</b>		<b>09.74</b>	

\*Multiple responses

Table 5 depicts that the 'organisational constraints' faced by the beneficiaries of FPOs are reviewed using four different statements. The constraints faced the beneficiaries in this category as an overall are about 09.74 percent. In this category, 'Lack of proper decision making ability' is recorded at 11.66 percent. This may be due to the lack of information provided to the beneficiaries about new technologies, so it is difficult to make the correct decisions. This finding is coherent with Nikam *et al.*, [18].

Following them, 'Lack of coordination for group activities' (10.33 per cent), 'Lack of support from the Government after established the FPO' (10.00 per cent) and 'Lack of connections with other institutions' (07.00 per cent) are reported by the beneficiaries to be very meager constraints in this category. This finding is consistent with previous findings of Storbakk [19] and Chopade *et al.*, [20].

The beneficiaries reported the infrastructure constraints were very minimal. They may have received better support from the Government to make wise decisions because of participation and involvement in extension activities and high levels of media exposure. And as a result of joining the FPOs, their socioeconomic impact increased significantly which elevates them to organisational capacity of the beneficiaries.

#### OVERALL CONSTRAINTS EXPERIENCED BY THE BENEFICIARIES IN FPOs

**Table 6. Overall constraints experienced by the beneficiaries in FPOs (n=300)**

S.No	Overall Constraints	Per Cent	Rank
1	Personal constraints	10.59	II
2	Marketing constraints	10.46	III
3	Labour and economic constraints	13.61	I
4	Infrastructure constraints	08.66	V
5	Organizational constraints	09.74	IV
	<b>Mean percentage score</b>	<b>10.61</b>	

Table 6 showed the percentage of overall constraints endured by the beneficiaries of farmer producer organisation. A total of 23 statements from these five categories were examined to determine the overall constraints. Only around ten per cent (10.61 per cent) of the beneficiaries experienced the constraints.

Table 6 reveals that 'Labour and economic constraints (13.61 per cent)' was the primary constraint of FPO beneficiaries. Following them, 'Personal constraints (10.59 per cent)', 'Marketing constraints (10.46 per cent)', 'Organizational constraints (09.74 per cent)' and 'Infrastructure constraints (08.66 per cent)' have been reported by beneficiaries. These results ensure that the FPOs of the study area serve better to the beneficiaries.

## CONCLUSION

The study concluded that the constraints faced by the beneficiaries of Farmer Producer Organizations were categorized in to five dimensions namely personal constraints, marketing constraints, labour and economic constraints, infrastructure constraints and organizational constraints. A total of 23 statements were prepared from these five dimensions and the survey was conducted among the beneficiaries.

The results revealed that 'Labour and economic constraints (13.61 per cent)' was the primary constraint of FPO beneficiaries. Following this, 'Personal constraints (10.59 per cent)', 'Marketing constraints (10.46 per cent)', 'Organizational constraints (09.74 per cent)' and 'Infrastructure constraints (08.66 per cent)' have been reported by beneficiaries.

Overall, only around ten per cent (10.61 per cent) of the beneficiaries experienced the constraints. The remaining portion of the beneficiaries had extensive knowledge. Officials from farmer producer organisations and other extension agencies were in regular contact with them. It was very admirable. For the beneficiaries of the farmer producer organisation, enabled services were generally very effective.

The results of this study clarify that the constraints faced by FPO beneficiaries are very low. However, FPOs should pay special attention to deal with these constraints. Find the appropriate strategies, planners and policymakers must bring the services of FPOs to the beneficiaries. Particularly, among the five categories of constraints, 'Labour and economic constraints' was encountered by the FPO beneficiaries as the somewhat major constraint. These constraints must be given special consideration, and strategies to address these challenges must be developed and submitted to planners and policy makers for solutions. The Government and NGOs must organize more awareness programme and trainings in these areas.

Overall, the results ensure that the FPOs of the study area serve better to the beneficiaries. It confirms that the Officials of farmer producer organisations and other Extension Agencies have been on regular contact with beneficiaries and providing services. As a result, they have had a very positive socioeconomic impact on beneficiaries. By implementing the strategies of such FPOs to other organisations, policymakers may improve the Indian FPOs to the next level.

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