



# Impact Level of Knowledge and Constraints Faced by the Farmer Producer Organization on Farmers Income in Kurnool District of Andhra Pradesh

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## Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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## ABSTRACT

The present study was conducted in Kurnool district of Andhra Pradesh, from Kurnool district Bethamcherla mandal was selected purposively based on considerable number of respondents as a member of Farmer Producer Organization. There are 174 FPO groups in Bethamcherla Mandal. From one mandal 6 villages were selected randomly based on the considerable number of members of Farmer Producer Organization. From each selected village farmers were selected randomly. In this way a total of 120 farmers were considered as respondent for the present study. Out of 120 farmers 60 are selected for beneficiaries and 60 for non beneficiaries. These selections were done by using simple random sampling method for the purpose of the study. where as in beneficiaries majority of the farmers are having a full of knowledge about organization, and having a partial knowledge on the activities and processing unit that are undergoing in FPO where as in non beneficiaries majority of the farmers having a full of knowledge on how many members should be there in an organization and having partial knowledge on shares they receive in an year. Most of the respondents have given their feedback that they are facing lack of well developed storage facilities, processing facilities, lack of technical skill of labourers in harvesting ,processing etc., The major suggestions that are given by the respondents are efficient supply of inputs, Processing, storage and transport facilities, Enhance government support etc.

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## 1. INTRODUCTION

Indian agriculture is predominantly characterized by large number of dispersed and fragmented small holdings. Majority of the farmers in the country are small and marginal farmers. Small and marginal farmers constitute the largest group of cultivators in Indian agriculture; 85 per cent of operated holdings are smaller than or about two hectares and amongst these holdings, 66 per cent are less than one hectare [1].

More than 90 per cent of the small and marginal farmers (SMF) are dependent on rain for their crops. In absolute numbers, there are about 90-100 million small and marginal farmers in India who depend on agriculture for income and employment. Due to this fragmentation and disorganization, it is not economically viable for farmers to adopt latest technology, use seeds of high yielding varieties and inputs like seeds and fertilizers and agrochemicals. They are also unable to realize good value from their marketable surplus by individually selling their produce. Agricultural products of various types are produced in India and the marketing of all these products is a complex process. Farmers do not have access to market and they are selling their produce to the intermediaries that operate in the market [2-5]. On account of these intermediaries, their profit margin is reduced and their farming business becomes a non-viable one. If the increasing number of agricultural suicides among small and marginal farmers (National Crime Records Bureau, 2011) is any indication, these farmers are struggling to survive. While indebtedness is often cited as the immediate reason for distress (Reserve Bank of India, 2006; Satish, 2007), deeper issues are related to vulnerability and risks in agricultural production. These issues include lower scale of operation, lack of timely availability of inputs, lack of information, poor communication linkages with the wider markets and consequent exploitation by intermediaries in procuring inputs and marketing fresh produce, access to and cost of credit and, in isolated cases, aggressive loan recovery practices [6].

To facilitate this process, the Small Farmers Agribusiness Consortium (SFAC) was mandated by Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India, to support the state governments in the formation of Farmer Producer Organizations (FPOs). The aim is to

enhance farmer's competitiveness and increase their advantage in emerging market opportunities [7-9]. The year 2014 was observed as the Year of Farmer Producer Organizations, and slowly but surely, the concept is catching on. The FPOs major operations will include supply of seed, fertilizer and machinery, market linkages, training and networking and financial and technical advice. Vision of the FPO is to build a prosperous and sustainable member- owned producer organization that enable farmers to enhance productivity through efficient, cost-effective and sustainable resource use and realize higher returns for their produce, through collective action [10,11].

## 2. OBJECTIVES OF THE STUDY

1. To determine the knowledge of the respondents of beneficiaries and non beneficiaries of FPO.
2. To find out the constraints faced by the respondents and seek their suggestions to minimize it.

## 3. RESEARCH METHODOLOGY

Ex-Post facto research design will be followed for the present study. Ex-post-facto research design was used in the present investigation. Robinson (1976) defined an ex-post-facto design as, "systematic empirical inquiry in which the independent variables have not been directly managed because they have already occurred or because they are inherently not manageable". Further, he stated that ex-post-facto studies are based on deduce theories and with identified behavioural phenomenon in explored condition under which a phenomenon occurs. Keeping in view the adaptability of the proposed design with respect to the type of the variables under consideration, size of respondents and phenomenon of study, the ex-post facto design was selected as an appropriate research design. The present study was conducted in Kurnool district of Andhra Pradesh, from Kurnool district Bethamcherla mandal was selected purposively based on considerable number of respondents as a member of Farmer Producer Organization. There are 174 FPO groups in Bethamcherla mandal. From one mandal 6 villages were selected randomly based on the considerable number of members of Farmer Producer Organization. From each selected village 20

farmers were selected randomly. In this way a total of 120 farmers were considered as respondent for the present study.

#### 4. RESULTS AND DISCUSSION

From the above Table 1 it can be observed that among beneficiaries, majority of the respondents (76.66%) have agreed that they know about this organization. (70.00%) of the respondents have agreed that know how many members should be there in an organization. (60.00%) of the respondents are having a complete knowledge on registration in FPO. (53.33%) of the respondents have known what are the activities that are undergoing in FPO. (50.00%) of the respondents are having idea about state and central schemes which are offered by FPO. (68.33%) of the respondents have known about primary processing unit. (60.00%) of the respondents have known about custom hiring center. (71.66%) of the respondents have known how many members should register for a company. (38.33%) of the respondents are having knowledge about the shares that they receive in year. (50.00%) of the respondents are having complete knowledge on training program on grading and packing (23.33%) of the respondents are undecided or they have partial knowledge about this organization. (30.00%) of the respondents are having a partial knowledge that how many members should be there in an organization. (21.66%) of the respondents are having a partial knowledge on registration in FPO. (31.66%) of the respondents are having a partial knowledge on the activities that are undergoing in FPO.(21.66%) of the respondents are having partial knowledge on state and central schemes which are offered by FPO. (31.66%) of the respondents are undecided about primary processing unit. (25.00%) of the respondents are having a partial knowledge on custom hiring center.(28.33%) of the respondents are undecided that how many members should register for a company. (20.00%) of the respondents are having a partial knowledge about the shares that they receive in year. (23.33%) of the respondents are having partial knowledge on training program on grading and packing. Where as in non beneficiaries (25.00%) majority of the respondents have agreed that they know about this organization. (36.66%) of the respondents the respondents have agreed that know how many members should be there in an organization.(31.66%) of the respondents are having a complete knowledge on registration in FPO.(30.00%) of the respondents have known

what are the activities that are undergoing in FPO. (25.00%) of the respondents are having idea about state and central schemes which are offered by FPO. (31.66%) of the respondents have known about primary processing unit.(18.33%) of the respondents have known about custom hiring center. (25.00%) of the respondents have known how many members should register for a company. (15.00%) of the respondents are having knowledge about the shares that they receive in year. (21.66%) of the respondents are having complete knowledge on training program on grading and packing (48.33%) of the respondents are undecided or partially agreed about this organization. (63.33%) of the respondents are undecided that how many members should be there in an organization. (55.00%) of the respondents are undecided on registration in FPO. (41.66%) of the respondents are partially agreed on the activities that are undergoing in FPO. (38.33%) of the respondents are partially agreed about state and central schemes which are offered by FPO. (63.33%) of the respondents are undecided about primary processing unit. (51.66%) of the respondents are undecided about custom hiring center. (45.00%) of the respondents are undecided that how many members should register for a company. (65.00%) of the respondents are partially agreed and undecided about the shares that they receive in year. (50.00%) of the respondents are having partial knowledge on training program on grading and packing.

##### 4.1 Overall Knowledge Level of Respondent's about FPO

The knowledge score of each respondent's was calculated and converted into percentage. The respondents were classified into three categories viz., a) low knowledge level, b) medium knowledge level and c) high knowledge level.

##### 4.2 Distribution of Respondents according to Their Overall Knowledge Level

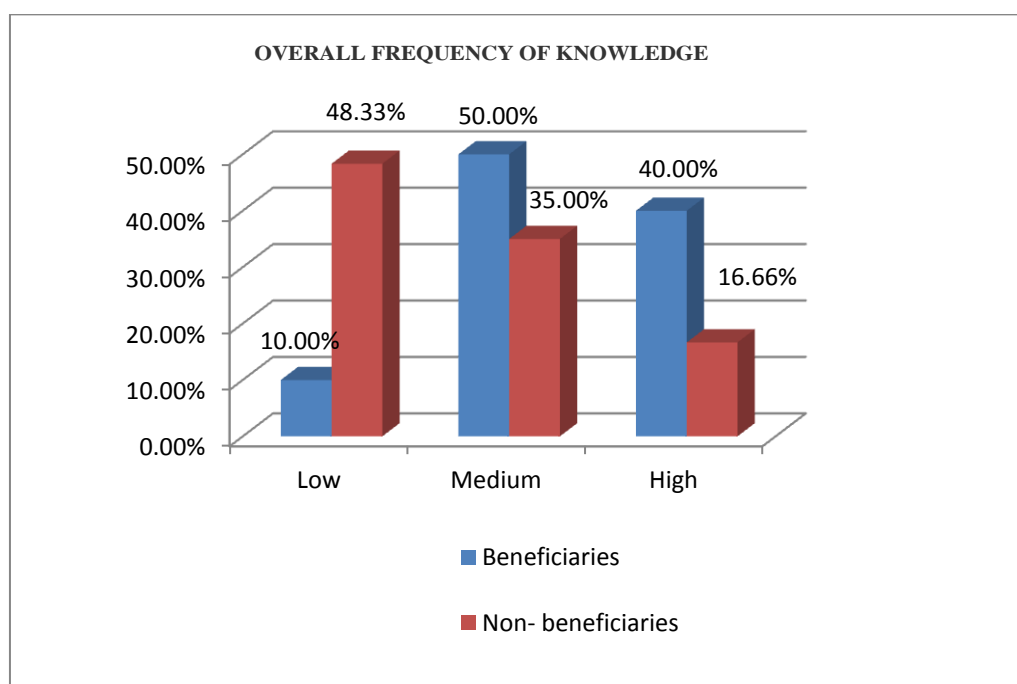
From the above Table 2 it can be observed that among the beneficiaries majority (50.00%) of the respondents have medium levels regarding the knowledge level towards FPO. followed by (40.00%) per cent of the respondents with high levels of knowledge and (10.00%) per cent of the respondents with low levels of knowledge towards FPO. Similarly, among non-beneficiaries most (48.33%) of the respondents were found to have low levels of knowledge regarding the FPO

followed by (36.00%) per cent of medium levels respondents with high levels of knowledge of knowledge and (16.66%) per cent of the towards FPO.

**Table 1. Knowledge of respondents about FPO**

Sl. No.	Statements	Beneficiaries			Non-beneficiaries		
		Agree f (%)	Undecided f (%)	Disagree f (%)	Agree f (%)	Undecided f (%)	Disagree f (%)
1	Do you know about this organization.	46 (76.66)	14 (23.33)	00 (00)	15 (25.00)	29 (48.33)	16 (26.66)
2	Do you know how many members should be there in an organization.	42 (70.00)	18 (30.00)	00 (00)	22 (36.66)	38 (63.33)	00 (00)
3	Is registration mandatory to become FPO member	36 (60.00)	13 (21.66)	11 (18.33)	19 (31.66)	33 (55.00)	8 (13.33)
4	Do you know what are the activities that are undergoing in FPO.	32 (53.33)	19 (31.66)	9 (15.00)	18 (30.00)	25 (41.66)	17 (28.33)
5	Do you have any idea about state and central schemes which are offered by FPO.	30 (50.00)	13 (21.66)	17 (28.33)	15 (25.00)	23 (38.33)	22 (36.66)
6	Do you know about primary processing unit	41 (68.33)	19 (31.66)	00 (00)	19 (31.66)	38 (63.33)	3 (5.00)
7	Do you know about custom hiring center.	36 (60.00)	15 (25.00)	9 (15.00)	11 (18.33)	31 (51.66)	18 (30.00)
8	Do you know how many members should register for a company.	43 (71.66)	17 (28.33)	00 (00)	15 (25.00)	27 (45.00)	18 (30.00)
9	How many shares do you receive in a year.	23 (38.33)	12 (20.00)	25 (41.66)	9 (15.00)	39 (65.00)	12 (20.00)
10	Do they provide any training program on grading and packing	30 (50.00)	14 (23.33)	16 (26.66)	13 (21.66)	30 (50.00)	17 (28.33)

f= frequency, %=percentage



**Fig. 1.**

**Table 2. Overall knowledge level of respondent's about FPO**

N=120

Sl. No.	Categories	Beneficiaries		Non-beneficiaries	
		Frequency	Percentage	Frequency	Percentage
1	Low	6	10.00	29	48.33
2	Medium	30	50.00	21	35.00
3	High	24	40.00	10	16.66
	<b>Total</b>	<b>60</b>	<b>100.00</b>	<b>60</b>	<b>100.00</b>

### 4.3 Distribution of Respondents according to Their Overall Knowledge Level

#### Constraints faced by the respondents

It could be seen from the above Table 3 constraints faced by the respondents in farmer producer organization. (52.5%) of the respondents have given their feedback that they are facing lack of well developed storage facilities (rank I). (50%) of the respondents are facing Lack of well developed processing facilities.(rank II).48.33% of the respondents have faced the problem of lack of technical skill of labourers in harvesting ,processing (rank III).

(45.83%) of the respondents did not have the awareness about the grading and packaging (rank IV). (43.33%) of the respondents have given the feedback that they are not having proper infrastructure facilities (rank V). (40%) of the respondents are not having sufficient finance (rank VI). (37.5%) of the respondents are facing lack of latest market information (rank VII). (33.33%) of the respondents are having the markets at long distance due to which the cost of transportation is high (rank VIII). (31.66%) of the respondents are being exploited by the middle men (rank IX). (27.5%) of the respondents have raised the problem of low price policy by the government side (rank X).

**Table 3. Distribution of respondents according to their constraints faced by the respondents**

S. No	Constraints	Frequency	Percentage	rank
1	Lack of well developed storage facilities.	63	52.5	I
2	Lack of well developed processing facilities.	60	50.00	II
3	Lack of technical skill of labourers in harvesting, processing.	58	48.33	III
4	Lack of awareness about grading and packaging, and do not share all the information about FPO.	55	45.83	IV
5	Lack of proper infrastructure (implements, irrigation facilities, power and electricity).	52	43.33	V
6	Lack of sufficient finance.	48	40.00	VI
7	Lack of latest market information.	45	37.5	VII
8	Distant market and high cost of transportation.	40	33.33	VIII
9	Exploitation by middleman.	38	31.66	IX
10	Lack of price policy by the government	33	27.5	X

**Table 4. Suggestions by the respondents to minimize the constraints**

S. No	Suggestions	Frequency	Percentage	Rank
1	Efficient supply of inputs	25	20.83	I
2	Processing, storage and transport facilities	20	16.66	II
3	Higher and stable price of product	16	13.33	III
4	Improvement in training and demonstration	11	9.16	IV
5	Village level worker (Agri. Assistant) should provide information about various programmes including FPO.	10	8.33	V
6	Wide publicity should be given to the concept of FPO for increasing awareness among the farmers.	10	8.33	VI
7	provision of infrastructure facilities and inputs at subsidized rates.	10	8.33	VII
8	Supply and value chain guidance	10	8.33	VIII
9	Enhance government support	8	6.66	IX

From the above Table 4 it can be observed that majority (20.83%) of the respondents have suggested that FPO should provide Efficient supply of inputs (16.66%) per cent of the respondents suggested should provide proper Processing, storage and transport facilities,(13.33%) per cent of the respondents suggested Higher and stable price of product, (9.16%) per cent of the respondents suggested Improvement in training and demonstration (8.33%) per cent of the respondents suggested Village level worker (Agri. Assistant) should provide information about various programmes including FPO, Wide publicity should be given to the concept of FPO for increasing awareness among the farmers, provision of infrastructure facilities and inputs at subsidized rates, Supply and value chain guidance (6.66%) per cent of the respondents suggested Enhance government support.

## 5. CONCLUSION

Most of the beneficiaries had medium levels of knowledge and most of the non-beneficiaries had low levels of knowledge regarding the organization. It can be said that beneficiaries had more knowledge about the benefits and working of the scheme rather than the non-beneficiaries. Also most of the respondents have faced constraints like Lack of well developed storage facilities, Lack of well developed processing facilities, Lack of technical skill of labourers in harvesting, processing, Lack of awareness about grading and packaging, Lack of proper infrastructure (implements, irrigation facilities, power and electricity), Lack of latest market information, Distant market and high cost of transportation, Exploitation by middleman, Lack of price policy by the government. It was observed that most of the farmers had positive level of knowledge towards the farmers producer organization. Hence, there is need to transform this positive knowledge into intent, action and finally participation of the farmers' in farmers' producer organization for obtaining the benefits of this intervention. Members of FPO do not share all information about FPOs was the most important constraint in seeking the information about FPO reported by the respondent farmers. Wide publicity should be given to the concept of FPO for increasing its awareness amongst the farmers and farmer members of FPOs should share the information about FPOs with non-members were the major suggestions offered by the respondent farmers to overcome the

constraints in seeking the information about FPO.

## CONSENT

As per international standard or university standard, respondents' written consent has been collected and preserved by the author(s).

## COMPETING INTERESTS

Authors have declared that no competing interests exist.

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