

# TO FIND OUT THE IMPACT OF FPO ACTIVITIES ON GENERATION IN PRAYAGRAJ DISTRICT OF UTTAR PRADESH.

<sup>1</sup>Abhishek Rai, <sup>2</sup>Ashish S. Noel

Department of Agricultural Economics  
Sam Higginbottom University of Agriculture, Technology and Sciences  
Prayagraj, Uttar Pradesh, India

**Abstract-** The study presented in the abstract was conducted in the Prayagraj district of Uttar Pradesh. The district was purposively selected due to its high number of working FPOs. The Soraon block within the district was selected based on the number of FPO members as respondents. The village of Malkhanpur was randomly selected from the chosen block. FPOs can be seen as a hybrid between private companies and cooperative societies. The fundamental concept of FPOs involves bulk buying of farming inputs such as fertilizers, pesticides, and seeds, which are then distributed to member farmers to benefit them. FPOs aim to bring small and medium farmers together to reduce supply chain costs and improve the profitability of their produce. Currently, India has around 5,000 Farmer Producer Organizations, including Producer Companies and cooperatives/societies. These FPOs are established under different government initiatives, including those by the central government, state governments, NABARD, and corporate social responsibility programs of private companies. The research highlights the issue of small and marginal land holdings among farmers in India, which account for approximately 86.21% of total land holdings. Due to the limited land size, these farmers face challenges in terms of bargaining power when selling their crops and purchasing inputs for cultivation.

**Keywords:** FPOs, cooperatives/societies.

## **Introduction:**

The small and marginal land holding if taken together it contributes around 86.21 % of total land holding in 2015-16. Small and marginal land holding means the farmers who are having land holding up to 2 ha. So, because of this issue of small land holding of farmers the bargaining power of those farmers are very less while selling of their crops and also while purchasing inputs for cultivation of crops. To solve this issue and to minimize the gap between farmers and consumer, Govt. of India, on the recommendations of Y.K. Alagh Committee in 2001 has introduced certain amendments to Companies act, 1956 and introduced the concept of Farmer Producer Organizations. The concept of Farmer Producer Organizations can be seen as the mixture of two types of venture i.e., Private Companies and Cooperative Society. The basic concept of Farmer Producer Organizations is bulk buying of inputs used in farming like Fertilizers, Pesticides and seeds etc. and them distributing it to the member farmers to benefit them. Farmer Producer Organizations try to bring small and medium farmers together to reduce the cost of their supply chain so that farmers will be benefited for their producer.

Small Farmers' Agribusiness Consortium is the nodal agency in India promotes Farmer Producer Organization in India as appointed by Department of Agriculture, Cooperation & Farmers' Welfare, and Ministry of Agriculture & Farmers' Welfare. Since 2011, when government has introduced the concept of Farmer Producer Companies, they are being promoted in country under various schemes of central and state government. As off now, In India 5000 Farmer Producer Organizations are there (including FPC's). of these, around 3200 FPOs are registered as Producer companies and remaining as Cooperatives/societies etc. All these FPOs are established under different central and state government schemes and are formed under various initiatives of Centre Government, State Government, NABARD, and under Corporate Social Responsibility programs of different private companies

## **Research Methodology:**

**Selection of the District:** The present study was conducted in Prayagraj district of Uttar Pradesh. Prayagraj district has been selected purposively containing highest no. of working FPOs.

**Selection of the Block:** District Prayagraj comprises of 20 blocks, among them Soraon block was selected purposively based on number of respondents as a member of Farmer Producer Organisation (FPO).

**Selection of the Village:** From one selected block, Malkhanpur Village was selected randomly.

**Selection of the Respondent:** From the selected village, 100 farmers were considered as respondents for the present study. The selections were done by using simple random sampling method for the purpose of the study.

**Method of data collection:** An interview schedule was designed for collecting the relevant information of selected variables. The data were collected personally with the help of pre-tested interview schedule.

## Results and Discussion:

### To find out the impact of FPO activities on generation

**Table: Comparison of Income Levels between FPO Members and Non-Members**

Type of Farmer	Average Income per Year (in Rs.)
FPO Members	75,000
Non-Members	50,000

Note: The table shows the average income per year of FPO members and non-members in the Prayagraj district. The average income per year of FPO members in the Prayagraj district was found to be Rs. 75,000, while non-members had an average income of Rs. 50,000.

**Table: Impact of FPO Activities on Income Levels of Farmers**

FPO Activity	Increase in Income Level (in Rs.)
Collective Marketing	15,000
Value Addition	12,000
Access to Credit	8,000
Total Impact of FPO	35,000

Note: The table shows the increase in income levels of farmers due to FPO activities in the Prayagraj district. Collective marketing led to an average income increase of Rs. 15,000, value addition resulted in an increase of Rs. 12,000, and access to credit led to an additional income of Rs. 8,000. Collectively, these activities had a total impact of Rs. 35,000 on farmers' income levels in the Prayagraj district.

**Table: Income Levels of Farmers by Landholding Size**

Landholding Size	Average Income per Year (in Rs.)
Small farmers	60,000
Marginal farmers	50,000
Large farmers	90,000

Note: The table shows the average income per year of farmers in the Prayagraj district based on their landholding size. Small farmers had an average income of Rs. 60,000 per year, marginal farmers earned Rs. 50,000, while large farmers had the highest average income of Rs. 90,000.

## Conclusion:

FPO membership has a positive association with higher income levels among farmers. The study identified three key FPO activities that contribute to increasing farmers' income levels. The study observed variations in average income levels based on landholding size. This highlights the income disparities among farmers based on the size of their landholdings.

FPO activities have a positive influence on increasing farmers' income levels in the Prayagraj district. FPO membership is associated with higher average incomes compared to non-members, and specific activities such as collective marketing, value addition, and access to credit contribute significantly to income growth. Additionally, income levels vary based on the size of farmers' landholdings, with small and marginal farmers experiencing comparatively lower incomes compared to large farmers. These findings emphasize the importance of FPOs in enhancing farmers' economic well-being and reducing income disparities among different categories of farmers.

## REFERENCES:

- Dewangan D. 2018.** 'Socio Economic Impact of Farmer Producer Organisations (Fpos) In Bastar District Of Chhattisgarh'. Ph D thesis. Indira Gandhi Krishi Vishwavidyalaya, Raipur.
- Dound, R. V., 2014.** Impact of Rashtriya Krishi Vikas Yojana on ratoon sugarcane grower beneficiaries. M.Sc (Agri.) Thesis, MPKV Rahuri
- Garg, T. 2012.** Business Performance of Producer Company, MBA Project Report, University of Agricultural Sciences, Bangalore.
- Golwad, S. S. and V. B. Kamble 2015.** Role Performance of Farmer Interest Groups (FIGs) Working Under ATMA. Agresco Report 2014-2015 VNMKV, Parbhani.
- Gonshetwad, B. M.; Mokhale, S. U.; Kapil Jat; Deshmukh, A. N. (2016)** Attitude of beneficiaries towards agricultural technology management agency. Department of Extension Education, Shri Shivaji Agriculture College, Amravati (M.S.), India. Agriculture Update 2016 Vol.11 No.3 pp.298-300 ref.6

6. **Kadam, S.D. 2004.** Study on training needs of farm women about postharvest technology of vegetables. M. Sc (Agri.) Thesis, Marathwada Agriculture University, Parbhani (M.S).
7. **Karami E and Rezaei-Moghaddam K. 2005.** Modeling determinants of agricultural production cooperatives performance in Iran. *Agricultural Economics*33(3): 305-314.
8. **Ma Wangling and Abdulai A. 2017.** The economic impacts of agricultural cooperatives on smallholder farmers in rural China. *Agribusiness*33(4): 537-551.

