



Analyzing the Constraints as Perceived by the Staff of Farmer Producer Organizations in Telangana

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ABSTRACT

Farmer Producer Organization (FPO) is a type of organization founded to reduce the participation of middlemen, address the marketing and value addition, constraints of small and marginal farmers, empower farmers, and increase the profitability of farming. The goal of this study was to identify and assess the constraints perceived by the staff of the FPOs. The total numbers of FPOs in the zone were 66 FPOs. Out of which 40 FPOs were selected using proportionate sampling from each district and randomly within the district. From each FPO, five staff members were interviewed randomly constituting a sample of 200 respondents using interview schedule. The Garrett Ranking Technique proposed by Garrett was used to rank the constraints. The results showed lack of trained manpower, lack of own office buildings, lack of transportation facilities, lack of godowns and store houses for storage, lack of enough capital, lack of government funds for promotion of FPOs, advance payment is required for getting inputs and sudden spurt in demand for inputs during the season were perceived as the most severe constraints among technical and operational, marketing, financial and input supply constraints, respectively.

Key words: Farmer Producer Organization, Constraints, Garrett Ranking, Staff

The FPO consists of only farmer members including both men and women. There is no limit for the number of members in an organization and more than one family member may join. FPOs are registered under the Indian Company Act, the Trust Act or the Cooperative Society Act, and are thus known as Farmer Producer Companies (FPCs), trusts, or cooperative societies. Several initiatives have been initiated by the government to help develop, strengthen, and empower FPOs. Recently, the Indian government has launched a central sector scheme for the "Formation and promotion of 10,000 new FPOs with a budget of Rs.6865 Cr. by 2027-28". FPOs are still in their infancy and face a number of challenges. According to many research's, FPOs are facing many problems related to insufficient working capital (Nikam *et al.*, 2019), lack of trained man power, lack of storage and processing facilities (Chetan, 2019), sudden spurt in demand and prices (Sharma, 2019). They primarily confront technical and operational constraints, governance, administrative, marketing, financial, as well as input supply constraints. These problems can be reduced to an extent by the mobilization and

organization of farmers under FPOs (Kumar *et al.*, 2020; Singh *et al.*, 2021). With the aforementioned circumstances in mind, the purpose of this research is to find out the constraints faced by the staff of FPOs in Telangana state and rank them.

The state Telangana was purposively chosen for the study as the state has 330 FPOs. Ex-post facto design is used as the event has already occurred. Out of seven zones in Telangana, zone-III Rajanna Siricilla which comprises of five districts (namely Karimnagar, Siddipet, Rajanna Siricilla, Kamareddy, and Medak) was selected purposively as it has highest number of FPOs among all the zones accounting to 66 Farmer Producer Organizations. Out of these 66 FPOs, 40 FPOs were selected randomly. From each FPO, 5 members were personally interviewed randomly using a structured interview schedule constituting a sample of 200 respondents. Extensive literature review was conducted which was complemented with subject matter experts consultation. Then constraints were studied under technical and operational, marketing, financial and input supply constraints (Mukherjee *et al.*, 2019) by preparing a structured interview schedule.

Respondents were asked to rank the constraints from the list of constraints mentioned and ranking of the constraints was done by Henry Garrett's Ranking Technique. The percent position of each rank is calculated with the help of following formula:

$$\text{Per cent position} = 100 (\text{Rij} - 0.5) / \text{Nj}$$

Where,

Rij = rank given for ith constraint by jth individual;

Nj = number of constraints ranked by jth individual

Then the Garrett's score for each position was taken from the Garrett's table given by Garrett and Woodworth (1969). Individual respondent scores for all constraints were summed up and divided by the total number of respondents for each constraint. Then the mean scores are used to rank the constraints following Shelar *et al.*, 2022 and Yadav *et al.*, 2022.

Constraints are the obstacles that limit the effective functioning of the staff and the organization. The issues associated with the effective functioning and working of the organization are considered as technical and operational constraints.

Table 1 depicts about the technical and operational constraints. "Lack of trained staff/ manpower" (73.55) was ranked 'I'. "Lack of own office building" (64.54) was ranked 'II', "Non availability of technology" was ranked 'III', "Lack of cooperation from other staff members" was ranked 'IV', "More administrative control" was ranked 'V' and "Lack of voluntary participation" was ranked 'VI'.

Marketing constraints are difficulties in purchasing inputs and selling produce. Table 2 represents that "Lack of godowns and store houses for storage" (74.73) was ranked 'I', "Lack of transportation facilities" (61.82) was ranked 'II', "Lack of processing facilities" (54.92) was ranked 'III', "Distance from market" (40.10) was ranked 'IV', "Lack of sales counter in FPO" (37.50) was ranked 'V' and "Difficulty to meet export standards" (30.77) was ranked 'VI'.

Financial constraints in FPO include barriers relating to the availability of capital, funds for promoting FPO and insurance facilities. Table 3 represents "Lack of enough capital" (73.00) was ranked 'I', "Lack of government funds for the promotion of FPOs" (56.33) was ranked 'II', "Lack of crop insurance facilities" (44.03) was ranked 'III', "Lack of willingness to contribute for raising capital by the members" (43.33) was ranked 'IV' and "Problem in getting credit from cooperatives and banks" (33.33) was ranked 'V'.

Table 1. The rank order of constraints as perceived by the staff of FPO

Constraints	Garrett Score	Rank
<i>Technical and operational</i>		
Lack of own office buildings	64.54	II
Lack of trained staff/ manpower	73.55	I
More administrative control	39.89	V
Lack of voluntary participation	32.61	VI
Lack of cooperation from other staff members	44.73	IV
Non availability of technology	46.53	III
<i>Marketing</i>		
Lack of godowns and store houses for storage	74.73	I
Lack of transportation facilities	61.82	II
Distance from market	40.10	IV
Lack of processing facilities	54.92	III
Lack of sales counter in FPO	37.50	V
Difficulty to meet export standards	30.77	VI
<i>Financial</i>		
Lack of enough capital	73.00	I
Lack of willingness to contribute for raising capital by the members	43.33	IV
Lack of crop insurance facilities	44.03	III
Lack of government funds for the promotion of FPOs	56.33	II
Problems in getting credit from cooperatives and banks	33.33	V
<i>Input supply</i>		
Advance payment is required for getting inputs	71.80	I
Getting license and renewal are time taking processes	45.40	III
Fertilizer dealership is costly	35.05	V
Sudden spurt in demand for inputs during the season	54.77	II
Supply of inputs is not timely and at inappropriate price	42.73	IV

Input supply constraints include a rapid increase in demand, and the costlier input dealership in FPO. Table 4 represents "Advance payment is required for getting inputs" (71.80) was ranked 'I', "Sudden spurt in demand for inputs during the season" (54.77) was ranked 'II', "Getting license and renewal are time taking process" (45.40) was ranked 'III', "Supply of inputs is not timely and at inappropriate price" (42.73) was ranked 'IV' and "Fertilizer dealership is costly" (35.05) was ranked 'V'.

CONCLUSION

Based on the study of the constraints faced by the FPO staff, in the technical and operational constraints, lack of trained staff/manpower and lack of own office buildings were ranked as the most severe constraints.

Lack of godowns and store houses for storage and lack of transport facilities were major constraints in terms of marketing constraints. In financial constraints, lack of enough capital and lack of government funds for the promotion of FPOs and in input supply, advance payment is required for getting inputs and sudden spurt in demand for inputs during the season were the major constraints faced by the staff.

These constraints can be reduced when the supporting organizations like NABARD, Small Farmers Agri-business Consortium, NCDC, NAFED, state government departments, E-commerce platforms like e-NAM, NGOs, private organizations, etc., comes forward to provide sufficient funds to build office buildings, cold storages and godowns, polyhouses, shade nets, buy vehicles, inputs, machinery and providing trainings to the staff at the nodal level. FPOs within a mandal or area should come forward and join hands to build polyhouses, shade nets, buy vehicles and follow group approach in both production and marketing aspects.

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