



Research Article

SWOC ANALYSIS OF FARMER PRODUCER ORGANIZATIONS (FPO'S) BASED ON WESTERN REGION OF TAMILNADU

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Abstract: The Farmer Producer Organization provided the platform to farmers for effective marketing and the production and tap the high value markets. The study is conducted to evaluate Farmer Producer Organizations (FPO's) in western Tamil Nadu by SWOC analysis.

Constraints faced by both farmers and the members and SWOC analysis of the organisation were also studied.

Keywords: Farmer Producer Organizations (FPO's), SWOC analysis

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Introduction

In recent decade among the agricultural marketing development interventions, group approach in farming society was found to be more successful model. It paved the way to rural development and initiates way to institutional innovation at the gross roots primarily to deliver the services more effectively and efficiently. Various types of farmer's collectivization models had been tried and tested in India. Among them, one of the emerging, innovative and participative models created Farmers Producers Organization (FPO). The Farmer Producer Organization provided the platform to small and the marginal farmers for effective marketing and the production through which they could reduce transaction cost of input access and also regular flow of market information with which they could act accordingly to achieve the maximum profits and tap the high value markets. Producer Organizations could be a potential solution to lack of value addition in agricultural commodities coupled with farmers in India were disposing their produce in unprocessed form [1]. Farmer producer companies could be considered as a hybrid between private companies and co-operatives [2] Farmers collective groups like co-operatives and farmer producer organizations emerged as substitute for increasing market efficiency and reducing transaction cost through collective action [3]. FPO's were farming start-ups which were being incubated by the center through Small Farmer Agri-business Consortium (SFAC), rural development bank NABARD, agriculture and horticulture departments of state governments and NGOs. In India, there were of about 2092 FPO's registered under NABARD with 170 FPO's in Tamil Nadu which stands second next to Karnataka (NABARD, 2017-18) in the year 2017-18 [4,5]. Under SFAC, 792 FPO's were registered with 11 FPO's in Tamil Nadu in the year 2017-18 [6]. More than fifty percent of the number of farmers mobilised towards FPOs in four states namely Karnataka, Madhya Pradesh, Tamil Nadu and West Bengal [7]. There is a lot of differences in formation and functioning of the FPOs across the states and regions of the country. It is important to understand the strengths and weaknesses of the FPOs as also the opportunities and threats faced by it so as to suggest suitable policies to improve the functioning of the FPOs in western Tamil Nadu in particular and country in general.

Farmer Producer Organisations (FPO's) in western region of Tamil Nadu

In the Western region, ninety-two Farmer Producer Organizations were identified based on the information gathered from Department of Agriculture. According to sfacindia.co.in, 2016-17, Nearly fifty percent of the FPO's were self-supporting and thirty-one Farmer Producer Companies were supported by the NABARD. Fourteen FPO's were being supported by SFAC. The Department of Horticulture, Government of Tamil Nadu provides support to one of the FPO's in Coimbatore district. Apart from these supporting agencies, Coconut Development Board was also supporting to coconut Farmer Producer Companies in various organizations. A large number of FPO's in Erode and Coimbatore districts followed by Salem and Namakkal districts. The presence of FPO's in Krishnagiri, The Nilgris and Dharmapuri were comparatively less in numbers.

In the western region, most of the Farmer Producer Organisation were based on agriculture and allied activities. Erode district 21 FPO's are functioning on the various agriculture crops and allied activities. These companies performed agriculture-based multiple value-added activities. In Coimbatore district, the activities of about nine Farmer Producer Organizations were focused on the coconut crop and were supported by the Coconut Development Board, (Cochin) Kerala. Seven Farmer Producer Organizations were situated in Dharmapuri District. In that two Farmer Producer Organizations were doing activities related to millet processing. In Namakkal district, twelve Farmer Producer Organizations were located and these organizations were involved in activities like bio fuel, banana cultivation, coconut cultivation and millet processing. Fifteen Farmer Producer Organizations were located in the Salem district and seven FPO's were present in the Nilgiris district.

Material and Methods

The study covers the western part of Tamil Nadu such as Coimbatore, Erode, The Nilgiris, Namakkal, Salem and Dharmapuri districts. In Tamil Nadu western region alone occupied one-fourth (24.50 percent) of FPO's. The western region of Tamil Nadu has been selected purposively for the research study as it has a greater number of functional FPO's and holding maximum membership.

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10324

They are the external factors that an organization can use to give itself a competitive advantage over its peers. Opportunities create the favourable environment or reduce the obstacles in functioning of an organization to have an edge over its competitors.

Consumer preference over quality products or value-added products.

More organic and high nutritional value made the preference towards the quality products of FPO's.

Local and international market linkage: Facilitated enhanced networking and linkages as more retailer's shops and export of the products to different countries.

Corporate social responsibility funding: An organization is funding in ways that enhance society and the environment such as funding to self-help groups (SHGs) for the empowerment of women.

Good platform for farming community: For the development of agricultural needs and improve in the production.

Deendayal antyodaya yojana guidelines for the promotion of producer organizations. NABARD and SFAC providing support for FPO's business development



It includes of the internal characteristics and resources that contributes to successful functioning of an organization.

Effective linkage and market access in direct selling: Linking farmers to the markets could grasp a whole range of activities from the very small and localized to the very large.

Challenges

They are the external factors that have the potential to harm an organization

Middlemen exploitation: Particular share allotted for the intermediaries and blamed by exploiting the farmers.

More competition from private companies: More branded products which place the high competition among the markets and involvement of new companies.

Limited market and scope: Farmers access to the market for regular products were limited.

Lack of infrastructure and collaterals: Inadequate access to the infrastructure and storage, transport facilities, value addition, processing, brand building and marketing.

Lack of management capability and governance: Incapability of the officials and executives in the coordination and utilization of existing resources.

Constraints affect the performance of the organization

The major constraints faced by the sample farmers of the FPO's affecting the performance of the farmer producer organization in western region of Tamil Nadu were analysed by using Garrett ranking method were given in [Table-2].

Table-2 Constraints affect the performance of the organization by the sample farmers.

SN	Constraints	Mean score	Rank
	Lack of awareness among the farmer members	68.86	1
1	Lack of coordination	67.73	2
2	Lack of forward and backward linkages	56.13	3
3	Lack of fund and ineffective utilization	52.86	4
4	Non availability of technology	38.33	5
5	Lack of government support	24.73	6

Major constraints faced by the members are lack of awareness among the farmer members with a mean score of 68.86 followed by lack of coordination among the members of the organization at the time of meeting and combined activities. Lack of forward and backward linkages with the other institution, lack of fund and ineffective utilization of money, non-availability of technology and lack of government support were the other constraints felt by them. The above findings were in agree with that of (Ravada Veda Sri, 2018) major constraints inferred through response priority index (RPI) were awareness among the farmers, lack of capital, infrastructure, and linkages.

Suggestions for improvement

The farmers were also asked to give suggestions about the improvement and effective implementation. The main suggestions were the government should improve its financial support and to create awareness among the farmers. Followed by improvement of effective linkages, improvement in credit and input provisions and strengthen coordination among the members. For the effective functioning and performance the financial support and other services which are provided by the government should be improved for the efficiency of the Farmer producer organisations (FPO). Nowadays the farmers are not well aware of the farmers groups and other supporting organization which helps in doubling the farmers income so the awareness should be created among the farmers through the scientists and other extension workers. The linkages in with suppliers and consumers provides the effective economics of scale and linkage with the other institution should improve to form the effective alliance. The input procurement and credit expansion should be done for the efficient fund utilization and creating more surplus for the expansion of the business. Most of the products are perishable in nature and to minimize the wastage of the products improve the shelf life and the income should improve the Infrastructure and storage facilities. At last to create co-ordination and unity among the members for the growth and establishment of the FPO's.

The above findings were in agree with that of (Ravada Veda Sri, 2018) major suggestions inferred through Response priority index (RPI) were credit and financial support, awareness among the farmers and input provision.

Conclusion

It is observed that value addition and aggregation, more extension development services and service motive, effective linkage and market access in direct selling

were the strength and unawareness among members, price fluctuation, ineffective fund utilization were the weakness. Consumer preference over quality products or value-added products, local and international market linkage, Deendayal Antyodaya Yojana were the opportunities and middlemen exploitation, more competition from private companies, lack of infrastructure and collaterals were the main threats.

Application of research: Such policy support would help the members farmers to collectively work together. The proximity of institutions could also be used to focus the finer skills for better management of the FPO as a business entity. The FPOs face competition from major retail chains for market share. The study will help them to strengthen the FPO activities and management for better results.

Research Category: Agricultural and Rural Management

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