**Original Research Article**

**COMPREHENSIVE STUDY ON FARMER PRODUCER ORGANIZATION IN IDAR TALUKA, GUJARAT**

**Abstract:** The modernization of agricultural systems is crucial for the development of ‘Viksit Bharat.’ Farmer-producer organizations (FPOs) help to unite small, marginal and landless farmers, giving them the collective strength to address various issues and improve their living standards and profitability. However, to ensure the sustainability of the FPOs, it is essential to build the right technical skill sets and business acumen within the FPOs. This study, titled “Comprehensive study on farmer producer organization in Idar taluka, Gujarat”, was conducted from January 26 to March 26,2025, to study the profile of FPO, to study the socio-economic profile of member farmers, to identify the problems faced by member farmers and board of director. Using a descriptive research design and purposive sampling, data was collected from 100member farmers of Annadata FPO. Finding revealed that27% farmers were in the 21 to 40-year age, 59% were in the 41 to 60-year age, and 14% were above the age of 60, 12% of respondents were illiterate, 41% were up-studied to the primary, 28% of respondents were both up to SSC (Secondary School Certificate) and 14% of HSC (Higher Secondary Certificate) and only 5% were only graduate level education and above significant portion of farmers have basic to intermediate education, with only a small fraction reaching higher education. 48 per cent of farmers had an annual income between 1 to 5 lakh rupees, followed by 24 percent of farmers who earned between 5 to 10 lakhs, 15 percent of farmers earned between less than 1 lakh rupees, and 13 percent of farmers earned more than 10 lakh rupees annually from farming activities. The majority of the farmers have an income between 1 to 5 lakhs. Key organizational problems faced by member farmer is lack of trust and conflicts among members was ranked as first problems faced with Avg. garrett score 58.30. Weak governance and leadership within FPO are ranked as second most important problems faced by member farmers. Key financial problems faced is lack of financial literacy and High rate of interest with Avg Garrett score 52.92 and 50.35 respectively. Limited awareness of market demand, trends and pricing and inadequate branding and lack of value addition is two major marketing problems faced by member famers. Key input supply problems faced are insufficient quantity of input, high cost of input with Avg garrett score 54.72 and 49.64 respectively. Inadequate transportation infrastructure is major infrastructure and resource problem faced.

**Keywords:** FPO, Small holder farmers, Socio-economic, Key problems, Profile of FPO

1. **Introduction**

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India’s population. India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. The agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country’s population. Thus, farmers become an integral part of the sector to provide us with a means of sustenance.(IBEF.ORG).

Aggregating small and marginal farmers to enable them to integrate with agricultural markets is one of themajor challenges in India. Economic scarcity, access to market information and the value of agricultural commodities and ignorance of updated methods about agriculture and pre and post harvesting practices are the major issues faced by small and marginal farmers. This challenge is also important for two other reasons. Firstly, the growing demand for quality agricultural and food products. Second, increasing attention to the potential ofthe total farm value to ensure reward prices for farmersand lower prices for consumers(Verma *et al*,2021).

Farmer Producer Organization is a group of at least ten farmers to take up agriculture
and allied activities as business to increase incomelevel of members. It enables members to pool their produce inside the company which can be sold under a single brand, develops a strong bargaining power inthe market, reduces or avoids intermediaries, helps toraise more funds which can be used to purchase good quality seeds, logistics and marketing. It is different from other farmer groups. FPO possesses only farmer members (both male and female) with no upper limit of members and more than one family member may get membership (Yadav *et al*, 2022).

FPOs established under the State Cooperative Acts, Cooperative Societies Act, Companies Act, Multi-State Cooperative Society Act, Indian Trusts Act and Societies Registration Act (Vahoniya *et a, 2022l*). FPOs are most commonly formed under the Companies Act or the Cooperative Societies Act (Shalini *et al*,2022).

1. **Materials and Methods**

The study employed a structured interview schedule to gather data aligned with its objectives. It was conducted on Annadata Khet Utpadak Sahkari Mandali of Idar taluka of Gujarat, using primary data from member farmers and secondary data from literature, publications, and websites. A descriptive research approach was adopted to identify the problems faced by member farmers. Using probability sampling, 100 member farmers were surveyed over 60 days. Data were analyzed through tabular methods and statistical tools such as Henry Garrett Ranking method.

1. **Results and Discussion**
	1. **To study the profile of FPO**

**Table 1. To study the profile of FPO**

|  |  |  |
| --- | --- | --- |
| 1 | Name of the FPO | Annadata khet utpadak sahkari mandali ltd, Idar |
| 2 | Address of FPO | Shop No: 11, Sakariya, Ganesh Nagar, Barvav Road, Ta- Idar, District- Sabarkantha, Gujarat- 383430 |
| 3 | Date of registration/incorporation of FPO | 17/11/2021 |
| 4 | Name of CEO/manager and date of appointment | Gaurangbhai J Patel01/12/2021 |
| 5 | Registration number | REG/SAB/SE(FPO)41578/2021 |
| 6 | Registered under | Gujarat Co-Operative Societies Act. 1961 |
| 7 | Objectives of the FPO | Direct benefit to the farmers |
| 8 | Implementing agency | NCDC |
| 9 | CBBO | IFFCO Kisan Sanchar Limited |
| 10 | Total No. of members in FPO | 449 |
| 11 | Total No. of women in FPO | 46 |
| 12 | Caste/community of members (majority) | General |
| 13 | Date of last annual general meeting (AGM) | 30/09/2024 |
| 14 | Date of latest balance sheet | 29/09/2024 |
| 15 | No. of directors | 12 |
| 16 | No. of Women directors among total directors | 1 |
| 17 | Mode of board formation(election/nomination) | Nomination |
| 18 | Authorized share capital | 5,00,000 |
| 19 | Paid up capital (Rs. Lakh) | 1,66,900 |
| 20 | Membership fee (Rs) | 10 Rs. |
| 21 | Maximum shareholding of an individual shareholder member | 2000 |
| 22 | Jurisdiction covered | Villages in Idar taluka, Sabarkantha |
| 23 | Key crops/ commodities handled by the FPO | Groundnut, Wheat, Maize, Bajara |
| 24 | Main business | Input supply (seeds. fertilizer, pesticide)  |

(Jhansi and Kalal,2023) and (Shalini *et al,*2022)

* 1. **To study the socio-economic profile of member farmers**

**Table 2. To study the socio-economic profile of member farmers**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| SN | Characteristics | Category | No | Percentage |
| 1 | Age | 21-40 Years | 27 | 27 |
|  |  | 41-60 Years | 59 | 59 |
|  |  | Above 60 Years | 14 | 14 |
| 2 | Education | Illiterate | 12 | 12 |
|  |  | Up to Primary | 41 | 41 |
|  |  | ≤ SSC | 28 | 28 |
|  |  | ≤ HSC | 14 | 14 |
|  |  | Graduation & above | 5 | 5 |
| 3 | Annual income | < 1 lakh | 15 | 15 |
|  |  | 1-5 lakhs | 48 | 48 |
|  |  | 5-10 lakhs | 24 | 24 |
|  |  | >10 lakhs | 13 | 13 |
| 4 | Family size | 2 Member | 3 | 3 |
|  |  | 3 to 5 Member | 56 | 56 |
|  |  | Above 5 Member | 41 | 41 |
| 5 | Total land holding | < 1 acre | 20 | 20 |
|  |  | 1-2 acre | 25 | 25 |
|  |  | 2-4 acre | 35 | 35 |
|  |  | 4-10 acre | 15 | 15 |
|  |  | >10 acre | 5 | 5 |
| 6 | Irrigation | Canal Irrigation | 20 | 20 |
|  |  | Borewells | 45 | 45 |
|  |  | Open wells | 25 | 25 |
|  |  | River | 10 | 10 |
| 7 | Gender | Male | 95 | 95 |
|  |  | Female | 5 | 5 |
| 8 | Occupation | Agriculture | 35 | 35 |
|  |  | Agriculture +Animal Husbandry | 45 | 45 |
|  |  | Agriculture +other | 20 | 20 |

 (Dechamma *et al* ,2020)

The result highlighted that 27% farmers were in the 21 to 40-year age, 59% were in the 41 to 60-year age, and 14% were above the age of 60, 12% of respondents were illiterate, 41% were up-studied to the primary, 28% of respondents were both up to SSC (Secondary School Certificate) and 14% of HSC (Higher Secondary Certificate) and only 5% were only graduate level education and above. These figures suggest that a significant portion of farmers have basic to intermediate education, with only a small fraction reaching higher education.48 percent of farmers had an annual income between 1 to 5 lakh rupees, followed by 24 percent of farmers who earned between 5 to 10 lakhs, 15 percent of farmers earned between less than 1 lakh rupees, and 13 percent of farmers earned more than 10 lakh rupees annually from farming activities. The majority of the farmers have an income between 1 to 5 lakhs. majority of farmers, accounting for 56%, have families consisting of 3 to 5 members. Additionally, 41% of farmers have families with more than five members. This distribution highlights that most farming families are relatively large, with only a minimal percentage having very small family sizes. 35 percent farmer have land range between 2 to 4 acre, 20 percent farmer have less than 1 acre land, 25 percent farmer have 1 to 2 acre land, 15 percent farmer have 4 to10 acre land and only 5 percent farmer having land more than 10 acre. This distribution highlights that most of member farmer own 2 to 4 acres of land.

**3.3 To identify the problems faced by member farmers and board of director**

**Table 3. Organizational problems faced by member farmers**

|  |  |  |
| --- | --- | --- |
| Organizational problems | Average score | Rank  |
| Lack of trust and conflicts among members | 58.30 | 1 |
| Weak governance and leadership within the FPO | 51.65 | 2 |
| Limited organizational vision and planning | 48.85 | 3 |
| Poor communication and information dissemination | 47.85 | 4 |
| Inadequate capacity for collective decision making | 41.35 | 5 |

The study identified several key organizational challenges faced by member farmers within the FPO. The most significant issue, as indicated by the highest average score of 58.30, is the lack of trust and conflicts among members, which stands as the foremost barrier to effective functioning and collaboration. The second major concern, with an average score of 51.65, is weak governance and leadership within the FPO. Ineffective leadership often results in poor strategic direction and reduced confidence among members. The third ranked issue, scoring 48.85, is limited organizational vision and planning, which restricts the FPO's long-term growth and ability to respond to changing market conditions. Following closely is poor communication and information dissemination, with an average score of 47.85 and lastly, inadequate capacity for collective decision making, with the lowest score of 41.35, suggests that members may lack the necessary skills or platforms to participate meaningfully in group decisions.

**Table 4. Financial problems faced by member farmers**

|  |  |  |
| --- | --- | --- |
| Financial problems | Average score | Rank  |
| Lack of financial literacy | 52.92 | 1 |
| High interest rate on loan | 50.35 | 2 |
| Limited access to credit or loan | 50.18 | 3 |
| Delayed payment for produce | 49.60 | 4 |
| High membership fees | 44.95 | 5 |

The findings highlight that lack of financial literacy is the most critical financial challenge for member farmers, scoring 52.92 and ranked first. This indicates a major gap in understanding basic financial concepts and services. High interest rates on loans (50.35) and limited access to credit or loans (50.18) follow as significant issues, limiting members' ability to invest in agriculture. Delayed payments for produce (49.60) also hamper farmers' cash flow and financial planning. Lastly, high membership fees (44.95) are seen as a barrier to entry, especially for small and marginal farmers.

**Table 5. Marketing problems faced by member farmers**

|  |  |  |
| --- | --- | --- |
| Marketing problems | Average score | Rank  |
| Limited awareness of market demand, trends and pricing | 55.66 | 1 |
| Inadequate branding and lack of value addition | 50.30 | 2 |
| Poor linkage with institutional buyers, retailers and exporters | 48.22 | 3 |
| Dependence on intermediaries for market access | 47.10 | 4 |
| Low or unfair price for produce | 46.72 | 5 |

The analysis reveals that limited awareness of market demand, trends, and pricing is the top marketing challenge, with a score of 55.66, indicating a critical knowledge gap in market dynamics. The second major issue is inadequate branding and lack of value addition (50.30), which affects the competitiveness and profitability of farmers' produce. Poor linkage with institutional buyers, retailers, and exporters (48.22) further restricts market access and opportunities. Dependence on intermediaries (47.10) and receiving a low or unfair price for produce (46.72) rank fourth and fifth respectively, showing the need for direct marketing channels and better price realization.

**Table 6. Input supply problems faced by member farmers**

|  |  |  |
| --- | --- | --- |
| Input supply problems | Average score | Rank  |
| Insufficient quantity of input | 54.72 | 1 |
| High cost of input | 49.64 | 2 |
| Delayed delivery of input | 49.34 | 3 |
| Difficulty in accessing subsidized input | 47.90 | 4 |
| Poor quality of input | 46.40 | 5 |

Member farmers face several input-related challenges that hinder timely and efficient agricultural operations. The most pressing issue is the insufficient quantity of inputs (score: 54.72), which limits productivity and planning. This is followed by the high cost of inputs (49.64), making essential materials unaffordable for many smallholders. Delays in delivery of inputs (49.34) further disrupt sowing and crop management schedules. Another notable concern is the difficulty in accessing subsidized inputs (47.90), which prevents farmers from benefiting fully from government schemes. Lastly, poor quality of inputs (46.40) negatively affects crop yields and farmer confidence in the supply system. Addressing these issues is vital for improving input availability, affordability, and reliability.

**Table 7. Infrastructure and resource problems faced by member farmers**

|  |  |  |
| --- | --- | --- |
| Infrastructure and resource problems | Average score | Rank  |
| Inadequate transportation infrastructure | 54.12 | 1  |
| Lack of storage facilities like warehouse and cold storage units | 52.48 |  2 |
| Limited access to processing units for value addition | 48.58 |  3 |
| Insufficient digital infrastructure for online marketing/ communication | 48.20 |  4 |
| Unreliable electricity and water supply for irrigation | 47.22 |  5 |

Member farmers of FPOs face several infrastructure and resource-related challenges. The most significant issue is inadequate transportation infrastructure, followed by the lack of proper storage facilities such as warehouses and cold storage units with garrett score 54.12 and 52.48 respectively. Limited access to value addition through processing units and insufficient digital infrastructure for online marketing also hinder operations. Additionally, unreliable electricity and water supply for irrigation further affect agricultural productivity.

**Table 8. Capacity building problems faced by board of director**

|  |  |  |
| --- | --- | --- |
| Capacity building problems | Average score | Rank  |
| Insufficient awareness of market trends and business strategies | 5.58 |  1 |
| Limited knowledge of financial planning and budgeting | 5.51 |  2 |
| Poor understanding of legal and compliance requirement | 5.12 |  3 |
| Limited exposure to agricultural value chain and innovation | 4.96 |  4 |
| Lack of business management skills among board of members | 3.63 |  5 |

The findings reveal that the board of directors faces several capacity-building challenges, with the most severe is insufficient awareness of market trends and business strategies (average score 5.58), followed by limited knowledge of financial planning and budgeting (5.51) ranked as second most important problems faced. Limited exposure to agricultural value chain and innovation and lack of business management skills among board of members are rated as least severe problems.

**Table 9. Operational and management problems faced by board of director**

|  |  |  |
| --- | --- | --- |
| Operational and management problems | Average score | Rank  |
| Inefficient system for supply chain and logistics management | 5.94 | 1  |
| Lack of skilled professionals to manage day-to-day operations | 5.06 |  2 |
| Difficulty in implementing technological solutions due to resistance | 4.86 |  3 |
| Poor record-keeping and documentation practices | 4.49 |  4 |
| Overlapping roles and unclear responsibilities of board of members | 4.45 |  5 |

This table highlights the key operational and management problems faced by the board of directors. The problems were ranked using Garrett’s ranking method. The most critical issue identified is an “Inefficient system for supply chain and logistics management” with the highest average score of (5.94). This is followed by a “Lack of skilled professionals for daily operations” (5.06) and “Resistance to implementing technological solutions” (4.86). Other significant concerns include “Poor record-keeping and documentation” (4.49) and with least severe problem faced is Overlapping roles and unclear responsibilities of board of members.”

**Table 10. Governance and leadership problems faced by board of director**

|  |  |  |
| --- | --- | --- |
| Governance and leadership problems | Average score | Rank  |
| Poor leadership in driving the FPO’ vision | 5.58 |  1 |
| Conflict of interest among board members | 5.06 |  2 |
| Lack of effective decision-making skill | 4.86 |  3 |
| Limited experience in corporate governance | 4.49 |  4 |
| Ambiguity in roles and responsibilities | 4.45 |  5 |

An analysis of the Table indicates the “Poor leadership in driving the FPO’ vision” was ranked as the most considered governance and leadershipproblem by board of directorsof FPO with a Garrett score of 5.58 at overall level. “Conflict of interest among board members” was reported to be the second most important problem faced with Garrett scores of 5.06 with “Ambiguity in roles and responsibilities of board of members” is least severe governance and leadership problem.

1. **Conclusion**

The study highlights that 27% farmers were in the 21 to 40-year age, 59% were in the 41 to 60-year age, and 14% were above the age of 60, 12% of respondents were illiterate, 41% were up-studied to the primary, 28% of respondents were both up to SSC (Secondary School Certificate) and 14% of HSC (Higher Secondary Certificate) and only 5% were only graduate level education and above. significant portion of farmers have basic to intermediate education, with only a small fraction reaching higher education. 48 percent of farmers had an annual income between 1 to 5 lakh rupees, followed by 24 percent of farmers who earned between 5 to 10 lakhs, 15 percent of farmers earned between less than 1 lakh rupees, and 13 percent of farmers earned more than 10 lakh rupees annually from farming activities also study highlightedmember farmers and board of directors of FPOs encounter a range of interrelated challenges that hinder their growth and effectiveness. Organizational issues like lack of trust and weak leadership reduce internal cohesion, while financial problems such as low financial literacy and limited access to credit restrict investment capacity. Marketing-related constraints, including poor awareness of market trends and weak linkages with buyers, limit income opportunities. Input supply challenges like high costs and delayed deliveries affect timely farm operations. Furthermore, inadequate infrastructure such as poor transport, storage, and digital connectivity further adds to their difficulties. Addressing these core issues through targeted interventions and capacity building is crucial to strengthen FPO performance and ensure long-term benefits for member farmers. Key Capacity problems faced by board of director is insufficient awareness of market trends and business strategies with limited knowledge of financial planning and budgeting. They are facing some serious operational and management problems like inefficient system for supply chain and logistics management and conflict of interest among board members. Key governance and leadership problems faced is poor leadership in driving the FPO’ vision, Conflict of interest among board members.

1. **Suggestions**
* Establish transportation infrastructure that will procure produce at farmer doorstep.
* Setting up community- level cold storage through cooperative or FPOs.
* Establishment of processing unit will help to handle the perishability of produce and minimize the post-harvest loss.
* Encouraging FPOsto bulk procure inputs to avail wholesale rates.
* Enforcing strict quality checks and certifications for input suppliers.
* Simplify loan application processes and reducing documentation requirement.
* Capacity building programs for FPO board of members.

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