

Cover Page

EXPLORING THE ROLE OF A PRODUCER ORGANIZATION IN THE DEVELOPMENT SECTOR: A CASE STUDY OF RAM RAHIM PRODUCER COMPANY IN BAGLI, DEWAS (MADHYA PRADESH

Dissertation Submitted To



The IIHMR University, Jaipur

for the partial fulfilment for the award of the
degree of

Master of Business Administration (MBA)

in

Development Management

by

Oshin Pandit

Under the Supervision and Guidance

of

Dr. Goutam Sadhu

2023

Title Page

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Appendix D: DECLARATION
BY STUDENT

I hereby declare that this dissertation titled “EXPLORING THE ROLE OF A PRODUCER ORGANIZATION IN THE DEVELOPMENT SECTOR: A CASE STUDY OF RAM RAHIM PRODUCER COMPANY IN BAGLI, DEWAS (MADHYA PRADESH)” is the bonafide record of my original researchwork. I declare that it has not been submitted to any other university or institution for the award of any degree or diploma. Information derived from the published or unpublished workof others has been duly acknowledged in the text.



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Appendix E: Completion Certification

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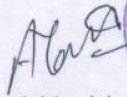
To Whom it May Concern

"This is to certify that Mr. / Ms / Miss. **Oshin Pandit** has successfully completed internship
Exploring the role of **Producer organization in Development Sector** , A case study of **Ram
Rahim Producer Company Ltd** Bagli, Madhya Pradesh, Under the guidance of **Animesh Mondal**.
The duration of this project was from **10 March 2023** to **15 May 2023**.

The internship on evaluation fulfills all the stated criteria and student's findings are her original
work.

I hereby certify her work excellent to the best of my knowledge."

For Samaj Pragati Sahayog


Animesh Mondal
Program Incharge Agriculture & Livelihood
Samaj Pragati Sahayog



Appendix F: Certificate from Faculty Guide and School Dean

CERTIFICATE

This is to certify that dissertation titled _____ is a record of the research work undertaken by (Name of Student) in partial fulfillment of the requirements for the award of the degree of MBA (Hospital and Health Management)/MBA (Pharmaceutical Management)/MBA (Development Management) from the IIHMR University, Jaipur under my guidance and supervision and his/her approach to the research study has been sincere, scientific, and ana

Faculty Guide

IIHMR University, Jaipur

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IIHMR University, Jaipur

Date

Date

Abstract

The Ram Rahim Pragati Producer Company Limited (RRPPCL) report provides an in-depth study of the organization's performance, challenges, and growth trajectory. RRPPCL, which operates in rain-fed dryland regions, has effectively surmounted obstacles to become a renowned Farmer Producer Organisation (FPO). The study emphasises the importance of FPOs in empowering small and marginal farmers, encouraging collective action, and supporting long-term agricultural growth.

The research shows that RRPPCL's assimilation of lessons learned from previous issues has led to its constant progress over time. RRPPCL has widened market access, improved financial flows, and generated beneficial outcomes by aggregating output and resolving market obstacles. The present study report also emphasises the relevance of community-based organisations, such as Self-Help Groups (SHGs), in assisting FPOs like RRPPCL in their success.

Furthermore, the study sheds light on RRPPCL's challenges, such as sustaining profitability in a high-volume-low-margin market, high operational and transactional costs, difficulties in capital raising, member belief and awareness, limited government support, and attracting young professionals to work in rural spaces. The research sheds light on solutions and best practises that may be implemented in comparable circumstances to empower farmers, enhance their livelihoods, and drive sustainable agricultural growth.

The study's findings highlight the transformational potential of FPOs and community-based organisations in solving the complex difficulties confronting small and marginal farmers. It provides helpful recommendations for RRPPCL and other comparable organisations on how to improve operational efficiency, manage risks, expand financial inclusion, develop member belief and involvement, seek government backing, and recruit talent. By implementing these recommendations, RRPPCL and other FPOs can contribute to the overall growth and well-being of rural communities while promoting sustainable agriculture practices.

Acknowledgement

I would like to extend profound gratitude to everyone who contributed to the completion of this dissertation. Throughout this process, their advice, suggestions, and encouragement have been priceless. My sincere gratitude and thanks to Mr Animesh Mondal (CEO of Ram Rahim Pragati Producer Company and my organization mentor) and Dr Goutam Sadhu (Dean of the School of development studies and my institute mentor) who gave me this opportunity to embark on this internship and dissertation I want to convey my heartfelt appreciation to them for their constant patience, inspiration, enthusiasm, and vast knowledge, which guided and always motivated me.

I'd want to express my heartfelt gratitude to everyone at Samaj Pragati Sahayog and Ram Rahim Pragati producer company who made my internship experience very worthwhile. Their advice and assistance have been invaluable in my career development at this time.

I'd want to express my deepest gratitude to all of the participants who graciously contributed their time and opinions to this study. This study would not have been possible without their support. Their willingness to share their experiences has greatly enriched the findings of this dissertation. I would also want to thank my family, organisation coworkers, and everyone else who assisted me in writing my dissertation paper, directly or indirectly.

Table of Contents

Appendix D: DECLARATION BY STUDENT	3
Abstract.....	6
Acknowledgement	7
Table of Figures	9
Abbreviations And Full Forms.....	10
Chapter-1: Introduction	11
1.1 FPO: - The concept	12
1.2 Structure and Governance of FPOs:.....	12
1.3 Services offered by FPOs:.....	13
1.4 Impact of FPOs:	13
1.5 Genesis & Evolution of FPOs	15
1.6 Different aspects of CBOs, POs and FPOs	16
Chapter- 2: Review of Literature	19
2.1 Learnings from the Review of Literature.....	26
2.2 Gaps Identified	27
Chapter:3- Methodology.....	28
3.1 Study Area	28
3.2 Research Question	28
3.3 Objectives of Research	29
3.4 Material and Methods	29
3.5 Study Design.....	30
3.6 Study Population	30
3.7 Duration of Study	30
3.8 Sample Technique	30
3.9 Mode of Data Collection	30
3.10 Data Analysis Tool	30
3.11 Ethical Consideration	30
3.12 Implication of Research.....	30
Chapter4 Results & Findings	32
4.1Case Study's	32
Case Study 1: Chinta Bai's Journey of Empowerment and Transformation	32
Case Study 2: Meera Bai Kamale and the Formation of Mangla Shri Pragati Self-Help Group.....	34
Case Study 3 Mangilal's Success with Non-Pesticide Management Farming	35
Case Study 4: Empowering Tribal Women Farmers through Sustainable Agriculture: The Story of RRPPCL	38

Budget outlay.....	42
Chapter-5:Discussion.....	53
Chapter-6:Conclusion	59
Suggestion	60

Table of Figures

FIGURE 1 COMPARISON BETWEEN COOPERATIVE SOCIETY AND PRODUCER ORGANIZATION	15
FIGURE 2 DIFFERENT ASPECTS OF CBOs, POS, FPOs	17
FIGURE 3 GOVERNANCE STRUCTURE OF ORGANIZATION	ERROR! BOOKMARK NOT DEFINED.
FIGURE 4 MANAGEMENT STRUCTURE OF THE ORGANIZATION	ERROR! BOOKMARK NOT DEFINED.
FIGURE 5 PROCESS FLOWCHART OF AGGREGATED GOODS.....	40
FIGURE 6 WAREHOUSE PROCESS FLOWCHART.....	42
FIGURE 7 VOLUME OF COMMODITIES AGGREGATED AND FINANCIAL FLOWS OF RRPPCL, 2016-21	43
FIGURE 8 AGGREGATED PRODUCE.....	44
FIGURE 9 YEAR-WISE INCOME & EXPENDITURE	45
FIGURE 10 GROSS PROFIT/LOSS.....	46

Abbreviations And Full Forms

Abbreviations	Full Forms
AGM	Annual General Meeting
AoA	Articles of Association
BoD	Board of Directors
CA	Chartered Accountant
CBO	Community-Based Organization
CEO	Chief Executive Officer
CoI	Certificate of Incorporation
FPO	Farmer Producer Organization
FWWB	Friends of Women's World Banking
FY	Financial Year
GoI	Government of India
MoA	Memorandum of Association
NGO	Non-Government Organization
NPM	Non-Pesticide Management
PC	Producer Company
PO	Producer Organization
RRPPCL	Ram Rahim Pragati Producer Company Limited
SHG	Self Help Group
SFAC	Small Farmers' Agribusiness Consortium

Chapter-1: Introduction

In order to empower small farmers and improve their participation in the market economy, the concept of Producer Organizations (POs) has received increasing attention in recent years. Producer organizations can be defined as groups of farmers who voluntarily form legally registered associations aimed at promoting economic gain by improving access to markets, finance, and technology. PO's main goal is to increase the bargaining power of smallholder farmers and improve their livelihoods through collective action.

A producer organization (PO) is a legal entity formed by primary producers such as farmers, milk producers, fishermen, weavers, country artisans, and craftsmen (NABARD, 2015)¹. A PO may be a producer company, a cooperative, or any other legal form that provides for profit/benefit sharing between its members (JournalsOfIndia..). Some institutions of primary producer organizations, such as producer companies, can also be members of her PO in some forms.

POs have been identified as a powerful instrument for poverty alleviation and rural development (Mukaila, (2022).)². They assist smallholder farmers in overcoming market access obstacles, which frequently result in low pricing and economic instability. Smallholder farmers can pool their resources and obtain better prices for their crops by organizing into POs. Furthermore, POs can provide farmers with credit, technical assistance, and market information, all of which can boost their productivity and profitability.

Governments, development agencies, and international organizations have all recognized the significance of POs. They are seen as an essential component in encouraging inclusive economic development and eliminating inequality. As a result, several governments have enacted policies and programs to encourage the formation and further development of POs.

Despite their potential benefits, however, the success of POs is not guaranteed. PO efficacy may be influenced by a variety of elements, including governance structure, management, financial sustainability, and external environment. As a result, it is critical to investigate the elements that influence the success or failure of POs and to find best practices that may be duplicated in various situations.

The purpose of this report is to offer an overview of the idea of POs, FPOs and CBOs as well as their potential benefits and limitations. It will also investigate the elements of a current working FPO that help us to identify the best practices through case studies.

1.1 FPO:- The concept

Agriculture is the backbone of the Indian economy, accounting for a significant amount of the country's GDP and employing a large percentage of its workforce (Mishra, 05 April 2023 15:00 PM) However, small and marginal farmers, who constitute a significant portion of the farming community, have traditionally faced several challenges, including low productivity, poor market linkages, and limited access to credit and technology (Thakur, 2023). In recent years, the concept of Farmer Producer Organizations (FPOs) has emerged as a viable solution to address these challenges and enable smallholder farmers to improve their livelihoods.

FPOs are member-based organizations founded by small and marginal farmers to increase their earnings and improve their social and economic standing. These organizations are administered democratically and registered under the Companies Act of 2013 or the Societies Registration Act of 1860 (latest sarkari yojana , n.d.) FPOs give smallholder farmers access to inputs, technology, markets, and loans, allowing them to boost production, cut costs, and enhance product quality.

The concept of FPOs has gained momentum in recent years, particularly in developing countries where smallholder farmers form a significant portion of the population.

Governments, NGOs, and private sector entities have recognized the potential of FPOs in promoting rural development and poverty alleviation, and have launched initiatives to support their formation and growth.

1.2 Structure and Governance of FPOs:

FPOs are typically formed around a particular crop, product, or value chain, and can range in size from a few dozen to several thousand members. The members of FPOs are small and marginal farmers who join the organization voluntarily. The organisation is administered by a Board of Directors, which is elected by the FPO members. The Board of Directors oversees the organization's general management and makes decisions on company operations, finance, and other organizational issues.

FPOs also have a Chief Executive Officer (CEO) or a General Manager in charge of the organization's day-to-day operations. The CEO or General Manager is appointed by and reports to the Board of Directors. FPOs have a set of bylaws or rules and regulations, which govern the functioning of the organization.

1.3 Services offered by FPOs:

- FPOs offer a range of services to their members, including training on sustainable farming practices, access to finance, and marketing support. FPOs provide inputs like seeds, fertilizers, and pesticides to their members at a subsidized rate. They also provide technical assistance and training on good agricultural practices to help farmers improve their productivity and quality of produce.
- Access to finance is a critical challenge for smallholder farmers, and FPOs help bridge this gap by providing credit to their members. FPOs can access credit from banks and other financial institutions and lend it to their members at a lower rate of interest than the market rate. This enables smallholder farmers to access credit at a reasonable cost and invest in their farms.
- Marketing support is another critical service offered by FPOs. FPOs help farmers connect with buyers and negotiate better prices for their produce. By pooling their produce, smallholder farmers can sell in larger quantities and access larger markets, which would otherwise be difficult for them to access individually.

1.4 Impact of FPOs:

FPOs have had a significant impact on the livelihoods of smallholder farmers. Some of the impacts are mentioned below: -

- They have helped farmers increase their productivity, reduce costs, and improve the quality of their produce.

- By providing access to finance, FPOs have enabled farmers to invest in their farms and improve their yields.
- By providing training on sustainable farming practices, FPOs have helped farmers reduce their dependence on chemical inputs and adopt more environmentally friendly practices.
- Marketing support provided by FPOs has enabled smallholder farmers to access larger markets and sell their produce at better prices. By pooling their produce, smallholder farmers

	Parameter	Cooperative Society	Producer Company
1	Registration	Registered under the Cooperative Societies Act	Registered under the Indian Companies Act
2	Objectives	Single objective	Multiple objectives
3	Area of Operation	Limited area of operation, with discretion	Nationwide operation
4	Membership	Membership open to individuals and cooperatives	Membership open to individuals, groups, associations, and producers of goods or services
5	Share	Shares are non-tradable	Shares are not tradable but transferable among members at par value
6	Profit Sharing	Limited dividends on shares as profit sharing	Profit sharing based on the volume of business
7	Voting Rights	One member, one vote, with government and Registrar of Cooperatives holding veto power	One member, one vote; members without transactions cannot vote
8	Government Control	High government control with significant interference	Minimal government control, limited to statutory requirements
9	Extent of Autonomy	Limited autonomy in the "real world scenario"	Full autonomy and self-governance within the provisions of the Act
10	Reserves	Reserves created if there are profits	Mandatory annual reserves creation

11	Borrowing power	Borrowing power restricted as per bye-laws, requiring approval from Registrar and time-consuming process for amendments	Borrowing limit determined by Special Resolution in general meeting, providing more flexibility for raising borrowing power
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Figure 1 Comparison between cooperative society and Producer Organization (Apeda Farmer connect, n.d.)

Source:

<https://farmerconnect.apeda.gov.in/Home/ForGroups?PaccessID=1#:~:text=Introduction,weavers%2C%20rural%20artisans%2C%20craftsmen.>

1.5 Genesis & Evolution of FPOs

Farmer Producer Organisations (FPOs) in India may be traced back to the National Commission on Farmers (NCF) recommendations in 2004. According to the NCF, farmers should be organised into groups to gain access to better inputs, technologies, and markets, as well as to negotiate better pricing for their produce. Farmers' cooperatives (FPOs) gather farmers to pool resources, share risks, and market their goods together.

The FPO plan was developed in 2011 by the Ministry of Agriculture and Farmers Welfare with the purpose of fostering the growth and strengthening of FPOs throughout the nation.. The initiative provides financial support to FPOs for capacity building, infrastructure development, and market connections.

Since then, the number of FPOs in India has increased significantly. According to the Ministry of Agriculture and Farmers Welfare, the country had over 10,000 registered FPOs as of December 2020. These FPOs are spread throughout numerous states and cater to the needs of small and marginal farmers.

The shifting agricultural environment, government laws, and technological improvements have all influenced the creation of FPOs in India. Small farmers are finding it difficult to access markets and obtain higher pricing for their goods as land holdings become more fragmented. FPOs assist people in overcoming these obstacles and improving their living conditions.

The government has also been instrumental in promoting FPOs in the country. The FPO plan offers financial assistance to FPOs for capacity development, infrastructure development, and

market connections. The government has also launched several supplementary schemes to support FPOs and farmers around the country, such as the National Agriculture Market (e-NAM) and the Pradhan Mantri Fasal Bima Yojana (PMFBY).

Farmers Honey Bee India Producer Company Ltd was the first producer company to be registered in India. Five producer businesses were registered in the first fiscal year following notice of the modification, namely fiscal year (FY) 2004. The FPO was created by 81-year-old TV Gopinath to facilitate the growth of super crops in India. Raitha Mitra, which was founded in 2015, has 526 farmer-shareholders from around Karnataka. Through its six divisions, the organisation also links around 1,500 farmers

1.6 Different aspects of CBOs, POs and FPOs

Aspects	Community-based Organizations (CBOs)	Farmer Producer Organizations (FPOs)	Producer Organizations
Definition	Grassroots organizations are formed by individuals or groups of people living in a particular community.	Organizations formed by farmers to promote their collective interests, including better prices for their produce, access to credit, and marketing support.	Organizations formed by producers, such as farmers, to collectively market their products, negotiate prices, and access services.
Formation	Formed by people who are directly affected by the issues they seek to address.	Formed by farmers who share common interests and goals.	Formed by producers who share common interests and goals.

Objectives	Address social, economic, and environmental issues that affect their communities.	Promote the collective interests of farmers, including better prices for their produce, access to credit, and marketing support.	Collectively market products, negotiate prices, and access services.
Services Offered	Advocacy, awareness-raising, capacity building, and service delivery.	Marketing, financial and technical services, advocacy, and representation.	Marketing, financial and technical services, advocacy, and representation.
Members	Individuals or groups of people living in a particular community.	Farmers.	Producers, such as farmers.
Management	A board of directors, elected by the organization's members, manages the organisation. <i>Figure 2 Different aspects of CBOs, POs, FPOs</i>	A board of directors, elected by the organization's members, manages the organisation.	A board of directors is elected by the organization's members.
Funding	Usually rely on outside financing sources, such as donations or grants	External financing sources, such as government initiatives or contributors, may be used.	External financing sources, such as government initiatives or contributors, may be used.
Challenges	There is a lack of money, technical capacity, and governance and management concerns.	There is a shortage of funds, technical capacity, and issues about governance and management.	There is a shortage of funds, technical capacity, and issues about governance and management.

1. These three of the concepts play a major role in the Empowerment and Capacity Building: CBOs can collaborate with FPOs and POs to empower the poor by providing

them with training, knowledge, and skills. This can include capacity building in areas such as agricultural practices, entrepreneurship, financial management, and market awareness.

2. **Access to Resources:** CBOs can facilitate access to resources such as land, water, credit, inputs, and technology for the poor through collaborations with FPOs and POs. This can help them overcome barriers to entry and enhance their productivity.
3. **Market Linkages:** FPOs and POs can work with CBOs to establish market linkages for the poor. By connecting them to formal markets, value chains, and fair trade networks, FPOs and POs can help the poor secure better prices for their produce and improve their income.
4. **Policy Advocacy:** CBOs, FPOs, and POs can collectively advocate for pro-poor policies and programs at local, regional, and national levels. By sharing experiences and evidence-based insights, they can influence policymakers to create an enabling environment for poverty reduction and sustainable development.

The interconnection between these organizations can foster collaboration, shared learning, and collective action, leading to more comprehensive and impactful interventions for the upliftment of the poor. By leveraging their respective strengths, CBOs, FPOs, and POs can create synergies that contribute to poverty reduction, empowerment, and inclusive growth.

Chapter- 2: Review of Literature

Ramappa KB and Yashashwini MA's article "Evolution of Farmer Producer Organizations: Challenges and Opportunities" examines the evolution of Farmer Producer Organizations (FPOs) in India. It examines the challenges faced by FPOs in terms of organizational, financial, and market-related issues, and the role of government policies in promoting and supporting FPOs. The article is a valuable resource for researchers, policymakers, and practitioners interested in the development of FPOs.³

The study conducted by Wambugu, Okello, Nyikal, and Bekele in 2009 explored the impact of social capital on the performance of smallholder producer organizations (SPOs) in the groundnut growing sector in Western Kenya. It found that social capital has a significant positive effect on SPOs, with trust, social networks, and norms of reciprocity being the most critical dimensions. Policymakers should focus on building social networks, strengthening trust among members, and promoting collective action among SPOs. The findings can inform policymakers and practitioners on how to support and strengthen the capacity of SPOs.⁴

The article "Farmer producer organisations for sustainable development of tribal communities" by Malik, Mishra, Paul, and Noronha is a comprehensive literature review that explores the role of farmer producer organizations (FPOs) in promoting sustainable development in tribal communities. It provides an overview of the challenges faced by tribal communities in India, such as poverty, limited access to resources, and lack of market linkages, and suggests that FPOs can help farmers achieve better prices, reduce transaction costs, and improve access to credit and other resources. It also discusses the challenges faced by FPOs in working with tribal communities, such as limited access to finance, inadequate infrastructure, and a lack of technical expertise.⁵

The article "Role of Farmer Producer Organizations (FPOs) in Organic Farming Skill Development of Farmers in Marathwada Region" explores the role of FPOs in enhancing

the skills of farmers in organic farming in the Marathwada region of Maharashtra, India. It is based on primary data collected through a survey of 125 farmers associated with FPOs in the Marathwada region. The literature review section of the article provides an overview of the existing literature on FPOs and organic farming practices. The authors suggest policy recommendations to improve the functioning of FPOs and promote sustainable agricultural practices.⁶

The article discusses the impact of the Farmer Producer Organization (FPO) movement in India over the past decade. It reviews various studies and reports that have examined the performance and impact of FPOs in India, and highlights the findings of a study conducted by NABARD. It also highlights the challenges faced by FPOs, such as limited access to finance, inadequate infrastructure, and a lack of skilled human resources. Policy support is needed to strengthen the movement and improve the livelihoods of small and marginal farmers.⁷

Mwambi, Bijman, and Mshenga (2020) conducted a study on the dynamics of farmers' membership and participation in decision-making processes in different types of producer organizations. The results showed that cooperatives tend to have higher levels of membership and participation than associations and agribusiness firms, providing more opportunities for farmers to participate in decision-making processes. The authors suggest that producer organizations should consider these factors when designing their membership and decision-making processes to ensure they are more inclusive and effective. These insights could be useful for policymakers and practitioners seeking to promote more inclusive and effective producer organizations in the agriculture sector.⁸

Singh and Vatta's study examined the effects of Farmer Producer Organizations (FPOs) on the economic well-being of smallholder farmers in Gujarat, India. The results showed that FPO members earned higher incomes than non-members due to improved access to markets, inputs, and credit. FPOs also provided a platform for farmers to collectively negotiate with input suppliers and buyers, resulting in lower input prices and higher output prices. Overall, the study concluded that FPOs have a significant positive impact

on the economic well-being of smallholder farmers in Gujarat. Policymakers and development organizations should support the establishment and growth of FPOs in India to promote inclusive and sustainable economic growth.⁹

Sawairam's case study of farmer producer organizations (FPOs) in Maharashtra provides a valuable contribution to the literature on the impact of globalization on agriculture in developing countries. The study was based on primary data collected from four FPOs located in different regions of Maharashtra and analyzed using thematic analysis. The findings suggest that FPOs have a significant role to play in promoting sustainable agriculture and rural development, including improved access to markets, better bargaining power, and enhanced access to credit and technology.¹⁰

Trebbin's article discusses the challenges of small farmers in accessing modern retail markets and the role of producer organizations in facilitating their entry. It highlights the success of producer companies in India, which are member-owned businesses that pool resources and market products collectively. It also highlights the challenges faced by producer companies, such as the need for adequate management and financial resources, and the need for supportive policies and infrastructure. The article is recommended for researchers, policymakers, and practitioners interested in small farmer livelihoods and rural development.¹¹

Wambugu et al. (2009) conducted a study to investigate the impact of social capital on the performance of smallholder producer organizations (SPOs) in Western Kenya. The findings suggest that social capital measures such as trust, reciprocity, and collective action significantly enhance SPO performance by promoting better communication, joint decision-making, and the sharing of resources and knowledge among members. Higher levels of social capital tend to have higher yields, incomes, and profitability compared to lower levels. Overall, this study provides valuable insights into the importance of social capital for the performance of SPOs in developing countries.¹²

Thomas Fisher and M.S. Sriram (2002) The paper reviews the literature on the impact of microfinance on poverty reduction, focusing on the limitations of microcredit and the need for a more holistic approach. It also discusses alternative models of microfinance, such as micro-savings, microinsurance, and microenterprise development, which can complement microcredit by providing a more comprehensive approach to development.

The paper by Velmurugan PS and Gagana DS presents a systematic review of the literature on farmer producer organizations (FPOs). It analyzed 66 articles published in various journals indexed in Scopus between 2010 and 2021. The authors present their findings in four thematic areas: organizational structure and governance, impact of FPOs on farmers' income and livelihood, challenges faced by FPOs, and policy support for FPOs. They conclude that FPOs have the potential to improve the income and livelihoods of smallholder farmers, but their success depends on strong organizational structure and governance, access to finance and markets, and policy support. The paper is a valuable resource for researchers, policymakers, and practitioners interested in FPOs and their role in promoting sustainable agriculture and rural development.¹³

The Farmer Producer Organisations (FPOs) - Frequently Asked Questions (FAQs) publication by the Farm Sector Policy Department and Farm Sector of India provides an overview of the functioning, governance, and benefits of FPOs to farmers, agri-businesses, and other stakeholders in the agriculture sector. It highlights the importance of FPOs in facilitating market access for small farmers, providing them with training and technical support, and promoting sustainable farming practices. It also highlights the role of government policies in promoting the growth and development of FPOs. The publication is an essential resource for policymakers, researchers, and practitioners interested in promoting collective action and sustainable development in the agriculture sector.

The article "Rural Credit in 20th Century India: An Overview of History and Perspectives" by Mihir Shah, Rangu Rao, and P.S. Vijay Shankar provides a comprehensive review of the evolution of rural credit in India in the 20th century. It

highlights the role of formal credit institutions such as Cooperative Credit Institutions and Commercial Banks in providing rural credit, but also the role of the Reserve Bank of India (RBI) in regulating and supervising them. The article provides a comprehensive review of the evolution of rural credit in India in the 20th century, highlighting the challenges and opportunities, and the need for continued policy and institutional support to ensure the sustainable development of rural credit.

Stuart Rutherford's essay, "The Poor and Their Money," provides a comprehensive overview of the challenges and opportunities facing financial service providers who wish to serve low-income communities. It argues that poor people have unique financial needs that are often overlooked by traditional financial institutions, and proposes strategies such as microfinance and microsavings to address these needs. It also discusses the challenges of providing financial services to poor people, such as high costs, specialized financial products, and managing risk in a context of high poverty and vulnerability.

The Small Farmers' Agribusiness Consortium (SFAC) has recently prepared a strategy paper for the promotion of 10,000 Farmer Producer Organisations (FPOs). It provides an in-depth analysis of the current situation and challenges faced by FPOs, as well as strategies to enhance their role in promoting sustainable agriculture and ensuring farmer welfare. It highlights the need for capacity building, creating an enabling environment, and providing a roadmap for their promotion and development. It is a must-read for policymakers, development agencies, and all stakeholders in the agricultural sector.

The study by Gurung and Choubey (2023) explores the factors that influence agricultural households to join farmer producer organizations (FPOs) in Northeast India. The results show that education, landholding, access to credit, and participation in extension services positively influence FPO membership, while household size, age, and distance from the FPO negatively affect membership. Policymakers should focus on enhancing the education and access to credit of small and marginal farmers to encourage FPO membership, which can lead to improved economic outcomes for these farmers.¹⁴

The paper titled "Strategies for Promoting Farmer Producer Organisations (FPOs) in India" by Jaya G, Lakshmi SR, Gummagolmath KC, and Bhawar RS (2020) aims to highlight the importance of FPOs in India and explore strategies to promote them effectively. The authors have used a systematic literature review approach to identify the strategies used for promoting FPOs in India, including financial incentives, capacity building, policy support, and networking. However, the paper does not provide empirical evidence to support the effectiveness of the identified strategies. Overall, the paper provides a valuable contribution to the literature on FPOs in India and highlights the importance of promoting FPOs for the sustainable development of the agricultural sector.¹⁵

Singh G, Budhiraja P, and Vatta K. (2018) conducted a study on the sustainability of farmer-producer organizations (FPOs) in two Indian states, Punjab and Gujarat. The study found that FPOs in both states face similar challenges, but Gujarat reported higher levels of satisfaction with government support. It also identified factors that contribute to the sustainability of FPOs, such as effective management, diversification of activities, and linkages with external partners. The authors recommend that FPOs be integrated into broader agricultural development programs to ensure their long-term viability.¹⁶

Padmaja SS, Ojha JK, Shok A, and Nikam VR's (2019) "Farmer Producer Companies in India: Trends, Patterns, Performance and Way Forward" examines the performance of Farmer Producer Companies (FPCs) in India. They provide an overview of the emergence of FPCs in India, their financial sustainability, governance structures, and social impact, and suggest strategies for strengthening FPCs. The review provides insights into the potential of FPCs to promote sustainable agricultural development and enhance the livelihoods of smallholder farmers.¹⁷

Gersch I.(2018) examines the market strategies of smallholder farmers in South India through the lens of producer organizations and contract farming. The research methodology involved interviews with farmers and representatives from producer organizations and contract farming companies in two different regions of South India. The study found that producer organizations were more common in the region than contract farming, but their effectiveness depends on management and governance structures, risk, and trust. Policymakers and development practitioners should consider these factors when designing interventions to support smallholder farmers in the region.¹⁸

Cinner et al. (2009) reviewed 48 cases of community-based management initiatives in the Western Indian Ocean (WIO) and identified factors that affect their effectiveness. Customary institutions were found to be the most effective in terms of resource access and use, while statutory institutions were more effective in resource monitoring and sanctioning. Hybrid institutions were found to be the least effective overall. The authors argue that successful community-based management initiatives require a combination of institutional design and external support tailored to the specific social and ecological context.¹⁹

Kumar et al. (2021) explore the impact of self-help groups (SHGs) on the empowerment of women in India. The study is based on data collected from a survey of 2,940 women across 294 SHGs in four states of India. The results suggest that SHG membership increases women's access to credit, decision-making power, mobility, and awareness about women's rights. The article highlights the need to support and promote SHGs as a means to promote women's empowerment and advance gender equality.²⁰

The book "Sustainability of Microfinance Self Help Groups in India: Would Federating Help?" by Nair(2005) A. provides an in-depth analysis of the role of federating in promoting the sustainability of microfinance self-help groups in India. It explores the challenges faced by SHGs in terms of sustainability and proposes federating as a solution to address these challenges. It provides detailed case studies of successful federating

initiatives in India and highlights the benefits of federating, such as improved access to credit, better bargaining power, and increased institutional capacity.²¹

The article "Self-help groups: A keystone of microfinance in India-women empowerment and social security" by Reddy CS and Manak S., published in 2005, focuses on the role of self-help groups (SHGs) in promoting women's empowerment and social security in India. It is based on the Andhra Pradesh Mahila Abhivruddhi Society (APMAS) in India, which is one of the largest SHG-based microfinance programs in the world. The authors highlight the success of the program in promoting women's empowerment and social security, citing statistics on the number of SHGs formed, loans disbursed, and women benefiting from various interventions. The authors acknowledge the challenges faced by SHGs, such as the need for capacity building and sustainability, and discuss the role of government and other stakeholders in supporting the SHG movement.²²

2.1 Learnings from the Review of Literature

The key learnings from the review of literature are as follows:

- Farmer Producer Organizations (FPOs) have emerged as important entities in promoting agricultural development and improving the livelihoods of smallholder farmers.
- FPOs can provide smallholder farmers with collective bargaining power, access to resources, and market linkages, leading to increased incomes and reduced vulnerability.
- The formation of FPOs can lead to improved agricultural productivity, as they facilitate the adoption of modern farming techniques, better access to inputs, and sharing of knowledge and information among members.
- FPOs contribute to rural development by promoting social inclusion, empowerment, and community participation, particularly for marginalized groups such as women and small-scale farmers.
- The success of FPOs is influenced by various factors, including supportive policies, institutional arrangements, capacity building, leadership, and effective governance.
- Access to finance and credit is a significant challenge for FPOs, and innovative financial models and mechanisms are needed to ensure their financial sustainability.
- The long-term viability and sustainability of FPOs require continuous support and facilitation beyond the initial establishment phase.
- The gender dimensions within FPOs need further exploration, including understanding the differential impacts on male and female farmers and promoting women's empowerment and participation.

- There is a need for rigorous impact assessments to quantitatively measure the outcomes and evaluate the effectiveness of FPOs in achieving their intended goals.
- Further research is needed to explore the role of FPOs in facilitating technology adoption and innovation, as well as their potential in inclusive development, knowledge sharing, and learning networks.
- These learnings highlight the potential benefits of FPOs for smallholder farmers and rural communities, while also identifying gaps and areas for further research and exploration to enhance the effectiveness and sustainability of FPOs.

2.2 Gaps Identified

These are some of the gaps identified under the Review of literature: -

Impact assessment: While various studies have mentioned the beneficial effects of FPOs on smallholder farmers, more thorough impact evaluations that objectively quantify the results and evaluate the effectiveness of FPOs in accomplishing their intended aims are needed.

Gender perspective: The assessment of research does not directly address gender dynamics within FPOs and the differences in effects on male and female farmers. More study is required to comprehend the gender aspects of FPOs and their implications on gender equality and women's empowerment.

Sustainability and long-term viability: While FPOs have been recognised as possible vehicles for sustainable agriculture and rural development, there has been a lack of research on the long-term viability and sustainability of FPOs after their initial establishment. It is necessary to do research to determine the elements that contribute to the long-term success and sustainability of FPOs.

Technology adoption and innovation: The literature study does not go into detail on the role of FPOs in helping smallholder farmers' technology adoption and innovation. More study is needed to determine how FPOs can effectively promote and support the adoption of innovative agricultural technology and practices.

Chapter:3- Methodology

3.1 Study Area

The study area includes selected tribal pockets named Bagli, Kataphod, Barwah, Punjapura of Madhya Pradesh where Samaj Pragati Sahayog and Ram Rahim Pragati Producer organization is providing its services.

Bagli is a small town with an estimated population of around 20,000 people situated in Dewas district of Madhya Pradesh. Barwaha is a larger town compared to Bagli, with a population of approximately 50,000 people. The town is situated on the northern bank of the Narmada River Bagli and Barwaha are known for its agricultural practices, with major crops including wheat, soybeans, pulses, and oilseeds. The population of Bagli and comprises primarily of rural residents engaged in agriculture and related activities. Bagli and Barwaha are situated in a semi-arid region characterized by hot summers and moderate winters. The agricultural practices heavily rely on monsoon rainfall and irrigation from rivers. Water scarcity is a common concern, and efforts are being made to implement sustainable water management practices.

3.2 Research Question

After doing the review of literature, learning from the review and the gaps identified following are the research questions:

Research question 1: Farmer producer organization helps the farmers in enhancing their economic status from their farm produce.

Research question 2: Samaj Pragati Sahayog efforts play a positive input in the overall development in the farmer livelihood

3.3 Objectives of Research

The main objective of this research are:

Objective 1: To understand the concept of Farmer Producer organization

Objective 2: To study successful Farmer Producer Organizations and their impact on the shareholders of the organization.

Objective 3: To identify the key factors and practices that contribute to the long-term success and sustainability of FPOs, focusing on the specific strategies employed by the Ram Rahim Producer Company and their impact on agricultural and rural development.

Objective 4: To explore the gender dynamics within the Ram Rahim Producer Company and examine the differences in effects on male and female farmers.

3.4 Material and Methods

The Collection of relevant data and material would be done through these methods, these include data from primary and secondary sources.

Primary

- FGD
- Questionnaire
- Personal Interviews
- Observation

Secondary

- Research papers and reports
- Articles
- Websites
- Analysis of Historical Records

3.5 Study Design

The study design involves qualitative research that aims to answer questions related to the "how," "what," "where," and "why" of the research topic, in order to gain a comprehensive understanding of the subject matter.

3.6 Study Population

All the Stakeholders of the Ram Rahim Pragati Producer Organization

3.7 Duration of Study

The Duration of the study is 3 months

3.8 Sample Technique

For this qualitative research study, the sampling technique primarily involved is snowball sampling and convenience sampling. Snowball sampling is used to identify and recruit participants based on referrals from other participants, while convenience sampling is used to select participants who were easily accessible and willing to participate in the study.

3.9 Mode of Data Collection

As the research is qualitative research my research typically involved collecting data through non-numeric means which include interviews, Focus groups, observations, document analysis, case studies, and ethnography.

3.10 Data Analysis Tool

A case study analysis tool examining FPOs was carried out that involved an in-depth examination and analysis of the case

3.11 Ethical Consideration

The consent of every individual involved in the research has been taken and they are aware of the study taking place.

3.12 Implication of Research

Farmer's Producer Organizations (FPOs) are cooperatives created by farmers to increase their negotiating strength and market access. FPO research has several implications for its development and success. Here are some potential implications of research on FPOs:

- Understanding FPO requirements and challenges:

Research can assist in identifying the operational challenges that FPOs experiences, such as a lack of access to funding, insufficient market knowledge, poor infrastructure, and weak governance structures. This knowledge can assist policymakers and development practitioners in designing focused initiatives to assist FPOs and meet their special requirements.

- Promoting collaboration and networking:

Research can emphasis the value of FPO collaboration and networking in improving collective bargaining strength and market access. This expertise may be used by policymakers and development practitioners to assist the building of platforms for FPOs to share information, resources, and best practises.

- Gender concerns may be addressed through research:

This can identify the gender-specific barriers that female FPO members encounter in obtaining resources, participating in decision-making, and benefiting from FPO activities. This information may be used to design gender-sensitive policies and programs that encourage women's empowerment and participation in FPOs

Chapter4 Results & Findings

The Ram Rahim Pragati Producer Company has been the subject of extensive research, aimed at analysing its performance, impact, and effectiveness. As a renowned producer company operating in a specific industry or sector, the organization has attracted considerable attention due to its unique business model and purported positive contributions to various stakeholders.

4.1Case Study's

Case Study 1: Chinta Bai's Journey of Empowerment and Transformation

Chinta Bai, Director

Ram Rahim Pragati Producer Company Limited

Chinta Bai is an illiterate woman from a very poor family who never got the opportunity to study. She used to work as a daily wage worker to fulfill her family's needs. However, she was always determined to uplift her life and the lives of other women in her village. Her journey of empowerment and transformation began when she became the Adhyaksha of the Self Help Group (SHG) in her village.



Chinta Bai at her home

The SHG, which was formed around 18 years ago, had a savings of Rs. 45,000. Chinta Bai motivated many women in her area to join the SHG, and she also became the Kataphod Sammiti Adhyaksh of Sankul. The village had mostly small farmers, and the Mandi was far from the village. Therefore, when the idea of a collection center came up, women farmers collected all their produce at a place, and the women of the SHG and the company decided the rates of the produce of other female farmers.

However, they faced challenges when they tried to sell their produce at the Mandi, and the authority reported the district authority. The Tehsildar concluded that the women did not hold any land and were not farmers or traders. Therefore, they could not sell their produce in the Mandi. However, they fought with the local authorities and Mandi Tax and eventually started a producer company with a large number of members.



Chinta Bai's Home

Chinta Bai played a significant role in the formation of the company, and despite being illiterate, she gained a lot of confidence through her work in the SHG and the company. The process of forming the company took a long time as the women did not have the required documents, and for signing the documents, she had no to dual. There were many mistakes in the documents, and they needed to be corrected before submission.

Despite the challenges, the company managed to start, and the women farmers started selling their produce. However, the farmers were not aware of the market, and they mostly depended on the local vendors for all goods. The company faced a loss of 17 lakhs in the beginning as they did not know how to handle the business.

Chinta Bai's determination and hard work paid off, and the company started to grow. She has become a respected and trusted member of the SHG, the company, and the area. She never misses a meeting and always loves to work. She has no greed for money and can go anywhere for meetings or work, leaving all the household work behind.



Chinta bai giving speech in AGM

Chinta Bai has three children, two boys, and a girl. She bought her plot and made a house by taking a loan from the SHG. She used to live in someone else's house on rent. Starting from saving a few rupees, Chinta Bai has come a long way in her journey of empowerment and transformation. She is an inspiration to many women in her village and beyond.

Case Study 2: Meera Bai Kamale and the Formation of Mangla Shri Pragati Self-Help Group

Meera Bai Kamale

Director

Ram Rahim Pragati Producer Company Limited



Meera Bai Kamale is a resident of Ratatalai village, where she formed the Magla Shri Pragati Self-Help Group (SHG) in 2002. She had earlier lived in Indore for eight years with her husband, who worked as a driver. However, she felt restless as she wasn't earning any income, unlike her earlier days when she used to help her father in farming. She suggested to her husband that they move to their village and start farming there.

As the area is dry, Meera faced difficulties in farming and had low earnings from sowing jowar and tuar. She saved some money by selling handmade items in Indore and used it to dig a well in the neighborhood in the year 2000. Gradually, she started sowing wheat and deepened the well over time. After some years, Samaj Pragati Sahyoy made a pond there. Meera was able to grow wheat successfully, which was uncommon in the village.

Before coming to Ratatalai, Meera was part of a BC (social gathering) group in Indore, where she saved some money by selling incense sticks and doing small work over nine years. When an employee from Samaj Pragati Sahyoy asked her to form an SHG with 10-15 women, Meera faced difficulties convincing the women as they were unfamiliar with the concept. She started the SHG with a savings of only 30 Rs, but eventually, other women joined and started saving money.



Meera Bai with her grandson

After running the SHG for a year, the women faced a challenge when their husbands denied letting them attend meetings after 8 pm. The SHG eventually broke, but Meera persisted in her efforts to form a group in her area. Despite facing resistance and being asked to leave, Meera remained determined and eventually formed a new group that saved 500 Rs. When the group was offered a loan at an interest rate of 2.5%, all the women agreed to take it, and their savings gradually increased.

Meera now practices NPM (Non-Pesticide Management) farming, which saves her around 10k-15k per year compared to using pesticides. The Magla Shri Pragati SHG is now saving 600 Rs every month and is eligible for a loan of 1,00,000 Rs. The SHG has been successful in providing financial support to its members and helping them become self-reliant.

Meera's story is a testament to the power of determination and hard work. Despite facing challenges and resistance, she persevered and succeeded in forming a successful SHG that has helped improve the lives of its members.

Case Study 3 Mangilal's Success with Non-Pesticide Management Farming

This case study examines the experiences of Mangilal, a farmer from Khedi Tanda, who has been practicing Non-Pesticide Management (NPM) farming for the past 10 years. Despite having land in a sloping area with poor soil quality, Mangilal has successfully implemented various natural farming techniques such as sanjeevak, pachpatti kadha, char chatni, and bhunadep. This case study highlights how NPM farming has helped Mangilal earn a sustainable living while reducing his reliance on pesticides.

Background:

Mangilal owns a 6-acre farm in Khedi Tanda, where he faced the challenges of farming on a sloping terrain with sub optimal soil conditions. Before adopting NPM farming, he struggled with low yields and heavy reliance on chemical pesticides, which significantly increased his input costs and negatively impacted his profits. Seeking a more sustainable and cost-effective approach, he decided to explore NPM farming techniques.



Mangilal's land

Adoption of NPM Farming:

Mangilal began his journey in NPM farming by attending workshops and training sessions organized by local agricultural organizations like Samaj Pragati Sahyog. Through these initiatives, he learned about the principles and practices of NPM farming and the potential benefits it could offer to his farming operation.

NPM Techniques Implemented:

Mangilal implemented several NPM techniques on his farm, which contributed to his success:

- a. Sanjeevak: Mangilal used sanjeevak, a natural bio-fertilizer made from locally available ingredients, to enhance soil fertility and promote healthy plant growth.
- b. Pachpatti Kadha: Mangilal prepared pachpatti kadha, an organic pest management solution made from a combination of herbal extracts, which acted as a natural pesticide and reduced the need for chemical interventions..

c. Char Chatni: Mangilal utilized char chatni, a natural plant extract prepared from indigenous species, to prevent soil erosion on his sloping land. This technique helped in retaining moisture and nutrients, thereby improving soil health and water conservation.

d. Bhunadep: Mangilal adopted the practice of using bhunadep, a composting technique, to recycle organic waste and generate nutrient-rich manure for his crops. This approach helped enhance soil fertility, reduce dependency on external fertilizers, and promote sustainable farming practices.



Positive Results and Benefits:

Mangilal experienced numerous benefits from practicing NPM farming:

a. Improved Crop Yields: Despite the challenging topography and poor soil quality, Mangilal witnessed improved crop yields through the implementation of NPM techniques. The organic inputs and practices helped his crops grow healthier, resulting in better productivity.

b. Reduced Pesticide Usage: By adopting NPM techniques, Mangilal significantly reduced his reliance on chemical pesticides. This not only minimized the risks associated with pesticide exposure but also reduced his input costs, increasing his profitability.

c. Enhanced Soil Health: NPM farming techniques contributed to the improvement of soil health on Mangilal's farm. The use of organic fertilizers and composting methods helped restore soil fertility, increase organic matter content, and promote beneficial soil organisms.

d. Disease Resistance: Due to the enhanced soil health and improved plant nutrition resulting from NPM farming practices, Mangilal's crops exhibited increased resistance to diseases and pests. This reduced the need for pest control measures and minimized crop losses.

Influence on Others:

During a visit to Mangilal's farm, a young farmer Lucky Mehra who had his land nearby expressed interest in NPM farming after witnessing its benefits first-hand. Inspired by Mangilal's success, the young farmer decided to join organizations like Samaj Pragati Sahyog to learn more about NPM farming techniques and implement them on his own farm.

Conclusion:

Mangilal's journey as a successful NPM farmer showcases the transformative impact of sustainable and eco-friendly farming practices. By adopting NPM techniques, he overcame the challenges of sloping land and poor soil quality while reducing costs and increasing profitability. Mangilal's positive experiences have inspired other farmers to explore NPM farming, thereby contributing to the promotion of sustainable agriculture in the region.

Case Study 4: Empowering Tribal Women Farmers through Sustainable Agriculture: The Story of RRPPCL

SHG group women owned company that was established in 2012 to help small and marginal tribal women farmers in the Udainagar, Punjapura region of Baglitechsil, Dewas, Madhya Pradesh. The company aims to overcome the challenges faced by farmers in the region, such as low fertility of land, low access to sources of irrigation, and limited access to organised commodity markets, by promoting Non-Pesticide Management of Agriculture (NPM) and linking farmers to organised markets.

The working style of RRPPCL involves the following operations:

- Formation of Self-Help Groups (SHGs): SPS, in 2012, facilitated the formation of RamRahimPragati Producer Company Limited (RRPPCL), incorporated under Part IXA of the Companies Act, 1956 (No. 1 of 1956). The company is owned and run by over 4000 small and marginal tribal women farmers belonging to 304 SPS-promoted Self Help Groups.



- **Non-Pesticide Management of Agriculture (NPM):** The company promotes NPM and encourages farmers to grow crops without the use of synthetic chemical pesticides or herbicides, using natural pest control techniques. The company's in-house professionals and agriculture experts from across the country train shareholder farmers in NPM practices regularly.
- **Procurement and testing of commodities:** Every batch of commodity procured by RRPPCL is tested for pesticide residues as per FSSAI recommendations in the Food Safety and Standards (Organic Foods) Regulations, 2017 (Jaivik Bharat Standards) in FSSAI accredited laboratories.
- **Access to national online commodities exchange:** RRPPCL became India's first farmer-owned company to enlist in NCDEX and become a commodity market participant, paving the way for other small farmer producer organisations to gain access to the national online commodities exchange.
- **Aggregation and processing of agricultural produce:** The primary activities of RRPPCL are to aggregate the agricultural produce of its women shareholders, store it in warehouses under hermetic conditions, carry out grading, cleaning and processing of the aggregated produce and post negotiations with buyers sell it in the organised market.
- **Sale of NPM agri commodities:** In the last 3 years, RRPPCL has sold NPM commodities to Safe Harvest Private Limited (SHPL) and maize to Indore-based business entities at a negotiated price. For FY 2020-21, RRPPCL has entered into an agreement with SHPL to sell retail quality whole wheat (sharbati), wheat flour (sharbati), broken wheat (daliya), bengal gram, kabulichana, gram flour (besan) and tur dal.
- **Packaging of products:** In addition to the sale of NPM agri commodities, RRPPCL will also be carrying out packaging of all products currently being retailed by Safe Harvest in the market of NCR.



The mode of operation of RRPPCL involves a collaborative approach, with farmers as the shareholders, managers, and decision-makers of the company. The company aims to

create an identity for the farmers' produce by linking them to organised markets, providing access to working capital, and encouraging the use of sustainable and natural farming practices. The company's focus on NPM promotes healthier agricultural practices, protects the environment, and ensures food safety for consumers. RRPPCL's entry into the national online commodities exchange has opened new doors for small farmers in the region and has paved the way for other farmer-owned companies to gain access to organised markets.

Product Processing

Process Flowchart

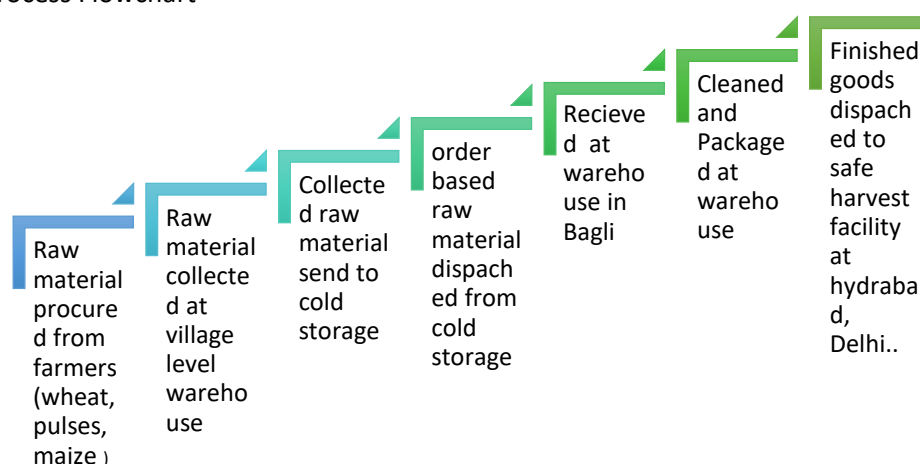


Figure 3 Process Flowchart of Aggregated goods

Raw Material Procurement:

Farmers cultivate and harvest the raw materials, including wheat, pulses, and mai ze. These crops are grown in the agricultural fields. All the farmers from whom the raw material is procured practice NPM agriculture. RRPPCL entirely operates with pesticide-free goods and encourages the use of non-pesticide management of agriculture (NPM). In accordance with the FSSAI's guidelines in the Food Safety and Standards, the organisation tests each batch of goods it purchases for the absence of pesticide residues. This gives their produce a unique character and connects these small farmers to markets. RRPPCL shareholder farmers are regularly trained in NPM practices by



in house experts and by agriculture experts from across the country.

Raw Material Collection:

The collected raw materials are transported to a village-level warehouse. This warehouse serves as a central point for gathering the harvested crops from various farmers in the surrounding areas.

Cold Storage:

The raw materials are then sent to a cold storage facility. Cold storage helps pre serve the quality and freshness of the harvested crops. The storage facility maintains low temperatures to prevent spoilage and preserve the nutritional value of the raw materials.

Order-based Raw Material Dispatch:

Based on the demand and specific orders received, the required quantities of raw materials are dispatched from the cold storage facility. This ensures that only the necessary amount of raw materials is sent for further processing and distribution.



Receipt at Bagli Warehouse:

The dispatched raw materials reach the designated warehouse in Bagli. This warehouse serves as a processing and packaging center.

Cleaning and Packaging:

At the Bagli warehouse, the raw materials are thoroughly cleaned to remove impurities, such as dirt, debris, and any foreign particles. After the cleaning process, the raw materials are carefully packaged to maintain their quality and prevent contamination.

Finished Goods Dispatch:

Once the raw materials have been cleaned and packaged, the finished goods are prepared for They are carefully packed and labeled, ready for transportation to the safe harvest facility.



dispatch.

Dispatch to Safe Harvest Facility: The packaged finished goods are dispatched to safe harvest facilities located in Hyderabad and Delhi. These

facilities are specialized centers where the finished goods are stored and prepared for distribution to various markets or customers. The safe harvest facilities ensure proper handling, storage, and transportation of the products to maintain their quality until they reach the end consumers.

Warehouse Process flowchart

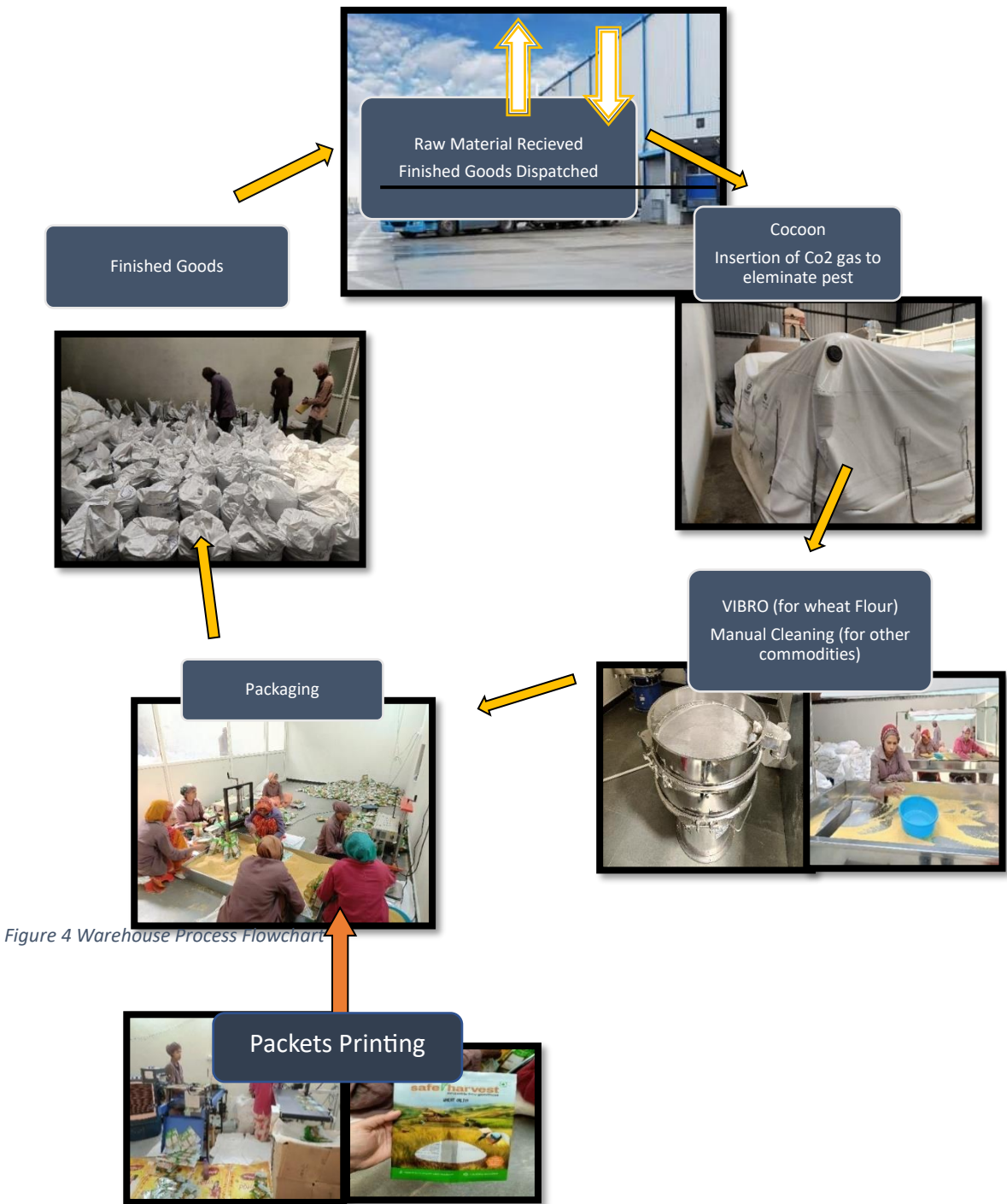


Figure 4 Warehouse Process Flowchart

Budget outlay

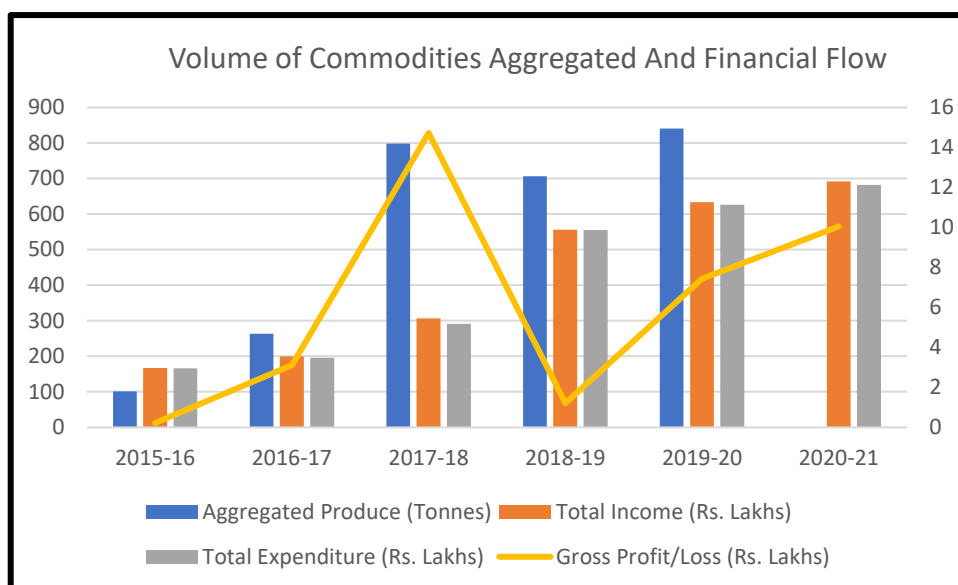


Figure 5 Volume of Commodities Aggregated and Financial Flows of RRPPCL, 2016-21

Figure 7 illustrates a comprehensive graph showcasing the aggregated commodities and financial flow over the years. It is evident from the graph that the company's position has been consistently improving, reflecting the positive outcomes of the lessons learned from the challenges and hurdles they encountered. The significant results of their incorporation of these learnings are clearly visible in the graph. Upon analyzing the graph, it becomes apparent that RRPPCL's position has been consistently improving over the years. The upward trend observed in both the volume of commodities aggregated and the financial flows indicates growth and development for the company. This can be attributed to their ability to overcome challenges and incorporate the lessons learned from their experiences.

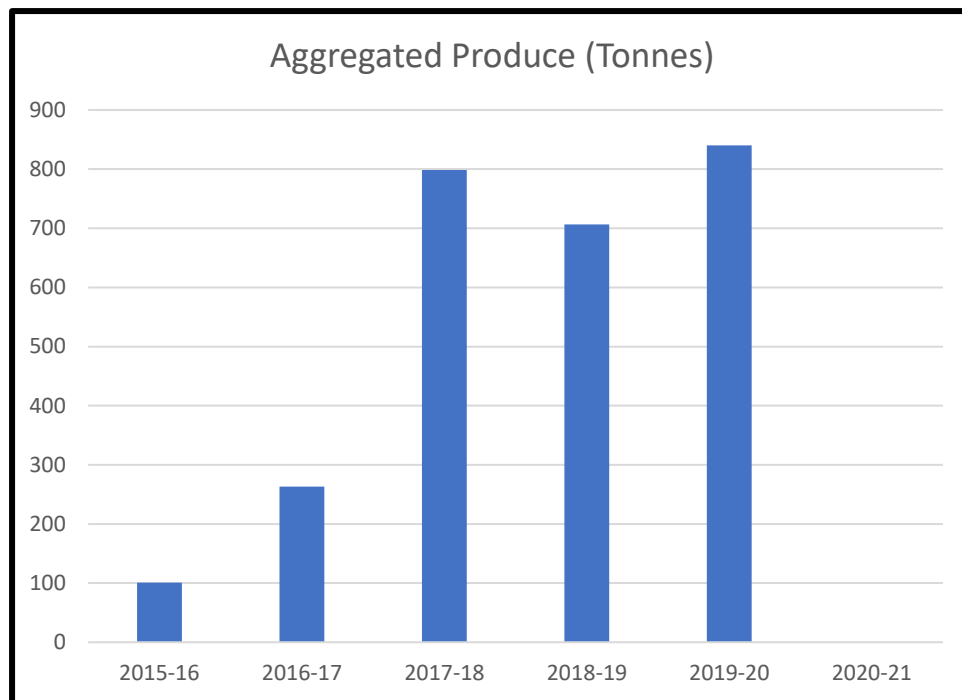


Figure 6 Aggregated Produce

The bar graph Figure 8 depicts the aggregated produce over the years, showcasing a significant rise in the data. Each bar represents a specific year, and the height of the bar indicates the quantity or value of the aggregated produce for that particular year.

As we observe the graph, it is evident that there has been a consistent upward trend in the aggregated produce over the years. The increasing height of the bars clearly illustrates the growth and improvement in the overall production.

This rise in aggregated produce is indicative of positive outcomes, such as enhanced farming practices, improved agricultural techniques, or increased productivity. It showcases the successful efforts and initiatives undertaken to boost production and meet the demands of the market.

The upward trajectory of the bars highlights the progress made over time and serves as a positive indicator

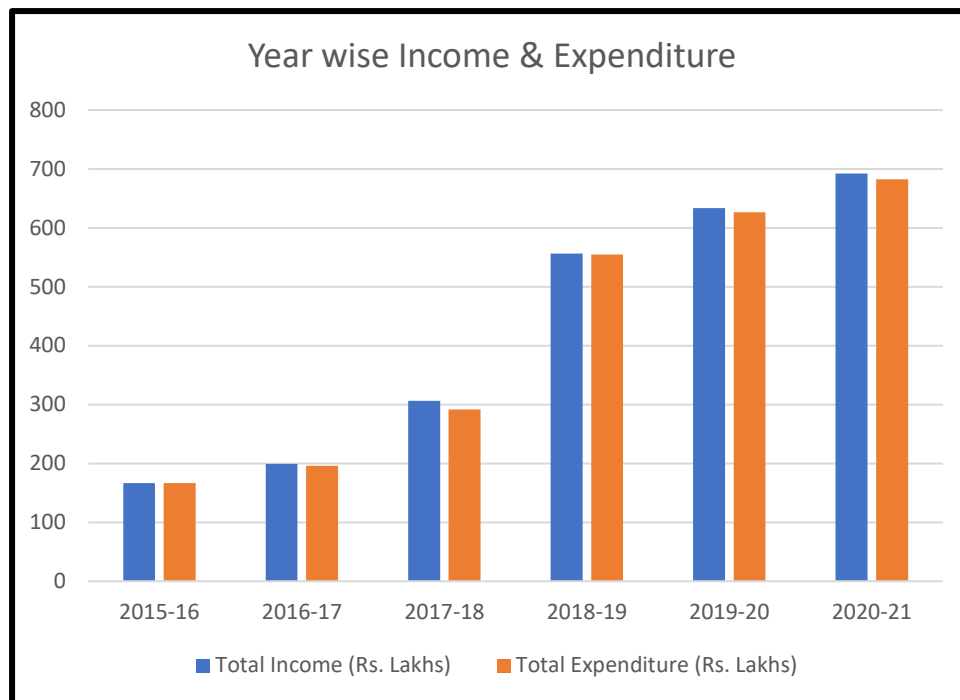


Figure 7 Year-wise Income & Expenditure

Figure 9 represents the year-wise income and expenditure of the organization, illustrating a consistent alignment between the two. This graph provides valuable insights into the financial performance and stability of the organization over the depicted years.

The graph showcases the income and expenditure of the organization on a year-by-year basis, allowing us to observe the relationship between these two key financial aspects. Income refers to the revenue generated by the organization through various sources such as sales, investments, grants, or other forms of income generation. Expenditure, on the other hand, represents the organization's expenses incurred in its operations, including costs related to production, salaries, overheads, investments, or any other outgoing funds. By examining the graph, it becomes evident that the income and expenditure of the organization have been progressing in tandem. This indicates that the organization's financial operations are well-managed, with income consistently covering or closely aligning with expenditure. Such a correlation suggests financial stability and effective financial planning and management within the organization. The graph signifies that the organization's income generation has been sufficient to support its expenses over the depicted years. This balance between income and expenditure reflects responsible financial practices, ensuring that the organization can meet its financial obligations while maintaining its financial health.

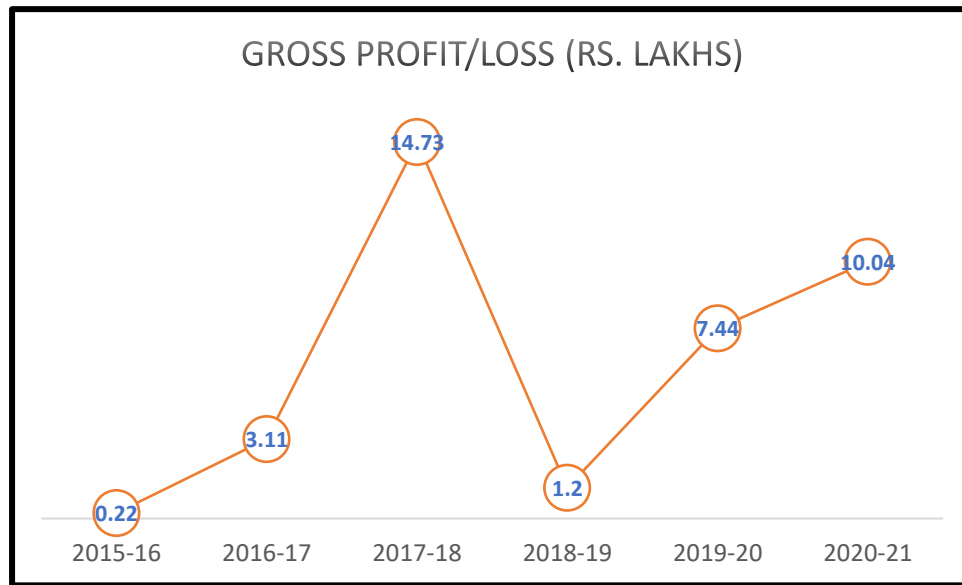


Figure 8 Gross Profit/Loss

Figure 10 displays the trend of gross profit over the years, highlighting notable fluctuations in its values. The graph reveals that the gross profit reached its peak in the fiscal year 2017-18, recording an impressive 14 lakhs. However, there was a significant decline in the following year, 2018-19, with the gross profit plummeting 2to 1.2 lakhs.Despite this downturn, the graph indicates a positive trajectory in subsequent years, with the gross profit consistently progressing upwards. This upward trend suggests that the organization has successfully recovered from the decline experienced in 2018-19 and has been able to improve its financial performance.

The graph underscores the resilience and adaptability of the organization, as it rebounded from a period of low gross profit and managed to reverse the negative trend. The subsequent years demonstrate a commendable effort in revitalizing the financial situation and achieving sustained growth.This positive progression in gross profit signifies effective management strategies, cost control measures, revenue enhancement initiatives, or a combination of factors that have contributed to the improved financial performance of the organization. It is indicative of the organization's ability to adapt, learn from past challenges, and implement measures that have yielded favourable outcomes.

Challenges Faced

Before the Formation Of RRPPCL

Prior to the formation of Ram Rahim Producer Company, farmers in the rain-fed dryland regions faced numerous challenges in their quest for fair prices for their marketable surplus. The resource-scarce ghat neeche region of Bagli tehsil in Dewas district, Madhya Pradesh, inhabited by small and marginal farmers from Adivasi communities, particularly experienced neglect and backwardness.

These farmers encountered a range of obstacles, including the lack of nearby fair markets, limited access to formal credit due to the low presence of banks, inadequate availability of quality agricultural inputs, the near absence of government agricultural extension services, and insufficient warehousing facilities.

Traditionally, Adivasi farmers relied on landlords and moneylenders to fulfill their agricultural requirements for both forward and backward linkages. However, these traders offered exploitative prices, greatly disadvantaging the farmers. The nearest mandi (Agricultural Produce Marketing Committee) for the sale of agricultural produce was located 90 kilometers away in Indore. Consequently, farmers were compelled to sell their produce to local traders and moneylenders prior to the implementation of the crop aggregation program.

Engaging with these informal money-lending sources, small and marginal farmers found themselves trapped in interlocked markets that exploited their vulnerabilities, taking more from them than they could provide.

After The Formation Of RRPPCL

After the formation of RRPPCL, the organization encountered several challenges that required careful navigation and strategic solutions. These challenges include:

- a) **Sustaining in a High-Volume-Low-Margin Market:** RRPPCL operates in an agri-commodity market characterized by high volume and low-profit margins. This market environment is accompanied by price volatility, making it challenging for the organization to maintain profitability. To overcome this challenge, RRPPCL needs to strike a balance between high equity and leverage to ensure smooth operations and navigate market fluctuations effectively.
- b) **High Operational and Transactional Costs:** Procuring from small and marginal farmers dispersed over a large geography poses operational and transactional cost challenges for RRPPCL. The costs associated with procurement, transportation, and coordination with farmers are relatively high. To address this issue, the organization needs to streamline its processes, explore innovative solutions, and adopt cost-effective technologies to reduce operational costs and improve overall profitability.
- c) **Difficulties in Capital Raising:** RRPPCL faces challenges in raising capital, as formal sector banks exhibit reluctance in lending to an FPO run by small and marginal farmers. Additionally, raising capital through equity is not a viable option due to members already having taken loans to contribute to the initial share capital. As a result, RRPPCL has relied on borrowing from institutions such as NABKISAN and private entities like Friends of Women's World Banking (FWWB), despite the high interest rates imposed by these lenders.
- d) **Member Belief and Awareness:** Some members of RRPPCL lack belief in the company and have limited awareness of the organization's vision to promote NPM (Non-Pesticide Management) agriculture. This poses a challenge in fostering a unified understanding and commitment among the members. RRPPCL needs to invest in effective communication, training, and engagement programs to enhance member belief, awareness, and participation in the company's objectives.
- e) **Limited Government Support:** RRPPCL has faced limited support from the government, making it challenging to expand the niche for pesticide-free produce and promote sustainable agricultural practices. The organization may need to advocate for policy reforms, engage in dialogue with relevant government agencies, and seek partnerships to garner increased support for its objectives.
- f) **Attracting Young Professionals:** Attracting young professionals from prestigious institutions, such as IIMs (Indian Institutes of Management TISS (Tata Institute of Social Sciences)), has proven to be a challenge. Many young professionals prefer urban settings over rural areas, which form the core operational spaces of RRPPCL.

To address this, RRPPCL could focus on showcasing the meaningful impact of their work, offering attractive career development opportunities, and highlighting the social relevance of working in rural spaces.

These are some of the challenges being faced by the organization and communicated by the CEO of the organization

Business plan

Ram Rahim Pragati Producer Business Limited (RRPPCL) is a producer business that was established in 2012 with the assistance of Samaj Pragati Sahayog. It works in the ghat “*neeche*” region of Madhya Pradesh's Bagli tehsil, which is populated by small and marginal farmers, mostly from Adivasi groups. The region faces several challenges such as lack of nearby markets, limited access to credit and agricultural inputs, inadequate government support, and poor warehousing facilities.

The primary objective of RRPPCL is to empower women self-help groups (SHGs) by linking small and marginal farmers with organized agricultural commodity markets. It aims to provide facilities for crop aggregation, storage, and sale at fair prices, access to quality inputs, freedom from exploitative traders and moneylenders, and a guaranteed market for non-pesticide managed (NPM) and traditional crops. RRPPCL is owned, directed, and pro.

The governance structure of RRPPCL includes an elected board of directors responsible for decision-making and a management structure to oversee operations. The company focuses on empowering women and challenging the traditional definition of farmers in India, which often excludes women from land ownership and agricultural activities.

RRPPCL has made significant achievements, with 304 SHG shareholders and around 4,200 producers. It has successfully sold NPM agricultural commodities and established partnerships with companies like Safe Harvest Pvt Ltd. The company promotes environmental sustainability by restoring agricultural biodiversity and practicing NPM agriculture. It also works towards price stability in local markets, provides seed support, and aims to move up the value chain by packaging and selling products directly to retail chains and consumers.

Despite its growth, RRPPCL faces challenges such as sustaining operations in a volatile agri-commodity market, high operational costs, limited access to capital, member beliefs and awareness, and difficulties in attracting young professionals. The company plans to streamline procurement processes, reduce operational costs, and explore collection centers as an alternative to doorstep collection. It also aims to leverage partnerships with Avantee Mega Food Park and expand the market for pesticide-free produce.

Overall, the business plan of RRPPCL focuses on empowering women farmers, enhancing market access, encouraging sustainable agriculture, and raising the income of the region's small and marginal farmers.

Sustainability Plan

Sustainability Plan for RRPPCL (Ram Rahim Pragati Producer company Ltd.):

➤ Building Capacities of BOD (Board of Directors) and Members:

Training and Development: Implement a comprehensive training and development program for the BOD and members of RRPPCL. This program should focus on building their knowledge and skills in areas such as sustainable agriculture, responsible business practices, financial management, and governance. It can include workshops, seminars, and mentoring sessions conducted by experts in relevant fields.

Knowledge Sharing Platform: Create a knowledge sharing platform where the BOD and members can access resources, best practices, and case studies related to sustainable agriculture and rural development. This platform can be in the form of an online portal, regular newsletters, or even peer-to-peer learning sessions.

Networking and Collaboration: Encourage networking and collaboration among the BOD and members by organizing forums, conferences, and events that bring together like-minded individuals and organizations. These platforms can facilitate the exchange of ideas, experiences, and potential partnerships to enhance the sustainability efforts of RRPPCL.

➤ Increased Volumes and Value-Added Commodities with Safe Harvest - for all NPM Crops:

Implementation of Good Agricultural Practises (GAP): Encourage and encourage the implementation of Good Agricultural Practises among RRPPCL farmers. This might involve training and technical help in sustainable agricultural techniques, organic pest management, and soil conservation approaches.

Quality Assurance and Certification: Establish quality assurance measures and encourage farmers to obtain certifications such as organic or fair-trade certifications. This will not only improve the marketability of their products but also ensure safe and sustainable production practices.

Value-Added Processing: Encourage the establishment of value-added processing units or facilities for NPM (Non-Pesticide Management) crops. This can include initiatives such as setting up food processing units, promoting the production of organic or specialty products, and facilitating access to markets for processed products.

➤ Ties with Other Large Institutional Players for favourable Business Terms:

Partnership Development: Identify and establish partnerships with other large institutional players such as government agencies, NGOs, research institutes, and corporate entities that share similar sustainability goals. Collaborate with these partners to leverage their expertise, resources, and networks for the benefit of RRPPCL and its members.

Advocacy and Lobbying: Engage in advocacy and lobbying efforts to promote policies and regulations that support sustainable agriculture and fair-trade practices. This can involve participating in relevant policy discussions, engaging with policymakers, and raising awareness about the benefits of sustainable farming and its positive impact on rural communities.

➤ Operationalizing the Warehouse and Cleaning Grading Facility on a Commercial Basis:

Market Assessment and Business Planning: Conduct a thorough market assessment to identify the demand for warehouse and cleaning grading services in the target area.

Develop a detailed business plan that outlines the operational requirements, pricing strategies, marketing approach, and financial projections for the facility.

Infrastructure Development: Invest in the necessary infrastructure and equipment to establish a modern and efficient warehouse and cleaning grading facility. Ensure that the facility meets all safety and quality standards and can handle the expected volumes of agricultural commodities.



Promote Facility Utilization: Implement a marketing and outreach strategy to promote the utilization of the facility among farmers, cooperatives, and other agricultural stakeholders. Highlight the benefits of using the facility, such as improved product quality, reduced post-harvest losses, and access to larger markets.

➤ **Tapping the Captive Market of Urban SHGs as a Risk Mitigation Mechanism:**

Partnership with Urban Self-Help Groups (SHGs): Collaborate with urban Self-Help Groups to establish a direct market link between the SHGs and farmers associated with RRPPCL. This can be achieved through initiatives like joint marketing campaigns, contract farming arrangements, or supply chain partnerships.

Product Diversification: Identify and promote products that cater specifically to the preferences and demands of urban SHGs. This can include organic or specialty products, value-added processed goods, or products with unique branding and packaging.

Risk Sharing and Market Access: Develop mechanisms to share the risks associated with agricultural production and ensure market access for farmers. This can involve providing financial support, insurance options, or market guarantees to farmers supplying to urban SHGs. Additionally, facilitate access to urban markets through logistics support and distribution channels.

Overall, this sustainability plan aims to strengthen the capacities of RRPPCL's leadership and members, enhance agricultural practices for increased volumes and value-added commodities, establish favorable business ties, operationalize necessary facilities, and tap into captive markets to ensure a sustainable and resilient future for the organization and its stakeholders.

Chapter-5:Discussion

Farmer Producer Organizations (FPOs) have emerged as significant entities in agricultural development, attracting considerable attention due to their potential to empower farmers and enhance agricultural sustainability. This research aims to investigate the operational characteristics, benefits, challenges, and potential for further development of the Ram Rahim Producer Company, shedding light on the functioning and impact of FPOs. By examining various studies and comparing their findings, this comprehensive analysis provides insights into the role of FPOs in empowering farmers and advancing rural development.

The research on Ram Rahim Pragati Producer Company (RRPPCL) and the study conducted by **Wambugu, Okello, Nyikal, and Bekele in 2009** both shed light on the importance of social capital and collective action in the performance of producer organizations. While the specific contexts and methodologies differ, there are some notable similarities and differences between the two studies.

Some of the similarities of the study are: -

Importance of social capital: Both studies recognize the significant role of social capital in the functioning and success of producer organizations. RRPPCL's active self-help groups (SHGs) and the social networks examined in the study by Wambugu et al. serve as platforms for trust-building, knowledge sharing, and collective decision-making.

Empowerment and inclusion: Both studies highlight the positive impacts of producer organizations on the empowerment and inclusion of marginalized groups. RRPPCL's engagement with women and marginalized farmers through SHGs promotes their participation in decision-making processes and enhances their access to resources and opportunities.

while there are similarities between the research on RRPPCL and the study conducted by Wambugu et al., there are also notable differences in terms of context, organizational structure, and research methodologies. However, both studies underscore the significance of social capital, collective action, and empowerment in the performance of producer organizations. The findings from these studies can inform policymakers, practitioners,

and other organizations seeking to support and strengthen the capacity of producer organizations, ultimately contributing to sustainable agricultural development and rural livelihood improvement.

The article by Malik, Mishra, Paul, and Noronha on farmer-producer organizations (FPOs) in tribal communities and the research on Ram Rahim Pragati Producer Company (RRPPCL) provide valuable insights into the role of FPOs in promoting sustainable development and addressing the challenges faced by small and marginalized farmers. There are both similarities and differences between the two studies that can be discussed.

Some of the similarities of the study are: -

Focus on addressing challenges: Both studies recognize the challenges faced by farmers, particularly those belonging to tribal communities or operating in rain-fed dryland regions. The article by Malik et al. highlights the issues of poverty, limited access to resources, and lack of market linkages among tribal communities in India. The research on RRPPCL also acknowledges the challenges faced in rain-fed dryland regions. Both studies argue that FPOs can play a crucial role in addressing these challenges and improving the livelihoods of farmers.

Empowering farmers: Both studies emphasize the importance of empowering farmers through FPOs. The article by Malik et al. suggests that FPOs can help farmers achieve better prices, reduce transaction costs, and improve access to credit and resources. Similarly, the research on RRPPCL highlights the transformative potential of FPOs in empowering small and marginal farmers, improving their livelihoods, and fostering sustainable agricultural development.

In conclusion, both the article by Malik et al. and the research on RRPPCL highlight the importance of FPOs in promoting sustainable development and addressing the challenges faced by small and marginalized farmers. While there are similarities in terms of focusing on challenges, empowering farmers, and recognizing the role of collective action and community-based organizations, there are also differences in geographical focus, scope and scale, and research methodologies. These differences provide a broader understanding of the diverse contexts and experiences in which FPOs operate. Overall,

the studies contribute valuable insights into the strategies, approaches, and best practices that can be replicated in similar contexts to enhance the livelihoods of farmers, promote community resilience, and foster sustainable agricultural development.

Collective action and community-based organizations: Both studies recognize the significance of collective action and community-based organizations in promoting sustainable development. The article by Malik et al. discusses the role of FPOs in facilitating collective action among farmers and strengthening their bargaining power. The research on RRPPCL highlights the importance of active self-help groups (SHGs) within the organization, which enable collective action, skill development, financial inclusion, women empowerment, knowledge sharing, and social welfare

The study by Kumar et al. (2021) on the impact of self-help groups (SHGs) on women's empowerment in India, and the research on Ram Rahim Pragati Producer Company (RRPPCL) provide valuable insights into the role of community-based organizations, such as SHGs and FPOs, in empowering women and fostering sustainable agricultural development. There are both similarities and differences between the two studies that can be discussed.

Some of the Similarities of the study are:-

Women's empowerment: Both studies highlight the positive impact of community-based organizations on women's empowerment. Kumar et al.'s study demonstrates that SHG membership increases women's access to credit, decision-making power, mobility, and awareness about women's rights. Similarly, the research on RRPPCL emphasizes the importance of active SHGs within the case, which enable collective action, skill development, financial inclusion, and women's empowerment.

Social welfare and knowledge sharing: Both studies recognize the role of community-based organizations in promoting social welfare and knowledge sharing. The research on RRPPCL highlights that SHGs enable knowledge sharing among farmers and contribute to social welfare. Kumar et al.'s study also suggests that SHGs increase awareness about women's rights, indicating their role in promoting social welfare and knowledge dissemination.

Livelihood improvement: Both studies indirectly address the aspect of livelihood improvement. The research on RRPPCL highlights the efforts of FPOs in enhancing the livelihoods of farmers, and Kumar et al.'s study suggests that SHG membership increases women's access to credit, which can positively impact their livelihoods. Both studies highlight the potential of community-based organizations in improving the economic well-being of individuals.

The strategy paper prepared by the Small Farmers' Agribusiness Consortium (SFAC) for the promotion of 10,000 Farmer Producer Organisations (FPOs) aligns with the findings and conclusions drawn from the research on other authors' review of literature.

While there are similarities, it is important to note that the SFAC strategy paper provides a broader perspective on the promotion and development of FPOs at a larger scale, whereas the RRPPCL case provides specific insights into the performance and growth trajectory of a particular FPO. The SFAC strategy paper can serve as a guiding framework for policymakers, development agencies, and stakeholders to support the promotion and development of FPOs, while the RRPPCL case offers practical insights and best practices that can be replicated in similar contexts.

In conclusion, the SFAC strategy paper and the research on RRPPCL demonstrate convergence in their emphasis on the importance of FPOs, capacity building, enabling environment, and social welfare in promoting sustainable agriculture and farmer welfare.

The review conducted by Cinner et al. (2009) on community-based management initiatives in the Western Indian Ocean (WIO) and the research on Ram Rahim Pragati Producer Company (RRPPCL) provide insights into different aspects of community-based organizations and their effectiveness. While there may not be direct similarities between the two, we can draw some key points for discussion.

Importance of institutional design: Both studies highlight the significance of institutional design in achieving effective community-based management or organization. Cinner et al.

(2009) emphasize that different types of institutions, such as customary, statutory, or hybrid, have varying degrees of effectiveness depending on the specific objectives. Similarly, the RRPPCL case emphasizes the importance of community-based organizations, such as self-help groups (SHGs), in empowering farmers and fostering sustainable agricultural development.

While the specific focus and findings of the two studies differ, there are underlying similarities in their recognition of the importance of institutional design, context-specific approaches, and the empowerment of communities

Several studies have explored the evolutionary trajectory of FPOs and the challenges they face. Malik et al. delve further into the market-related challenges, highlighting the difficulties faced by FPOs in accessing markets and negotiating fair prices for their produce. Velmurugan PS and Gagana DS highlight the need for FPOs to have robust marketing strategies and efficient value chains to overcome these challenges.

Upon comparing the research on Ram Rahim Pragati Producer Company (RRPPCL) with the findings emphasized by **Ramappa KB and Yashashwini MA**, we can identify both similarities and differences regarding the challenges faced by FPOs and the role of government policies in supporting their growth and effectiveness.

Both the RRPPCL case study and the research by Ramappa KB and Yashashwini MA highlight several similarities in their discussions on the challenges faced by Farmer Producer Organizations (FPOs) and the importance of policy support. Both sources acknowledge the organizational and financial difficulties encountered by FPOs, including limited access to resources and the absence of market linkages. Furthermore, both the case study and the research emphasize the crucial role of government policies in supporting FPOs. Ramappa KB and Yashashwini MA stress the significance of policy support in strengthening FPOs and improving farmers' livelihoods. They propose that governments can offer financial incentives, capacity building programs, and create a favourable environment to foster the success of FPOs. These common understandings underscore the importance of addressing organizational and financial challenges and providing policy support for the success of FPOs.

The main differences between the RRPPCL case study and the research by Ramappa KB and Yashashwini MA lie in their focus and scope, as well as the contextual variation they address. The case study provides a detailed examination of a specific FPO's performance and growth trajectory, offering insights into its operations and outcomes. In contrast, the research takes a broader perspective, discussing the challenges faced by FPOs in general and emphasizing the role of government policies

The research on FPOs, including the insights obtained from the Ram Rahim Producer Company and various other studies, highlights their potential in empowering farmers, promoting sustainable agriculture, improving market access, and enhancing the economic well-being of smallholder farmers. The findings underscore the importance of policy support, social capital, and effective management and governance structures for the success of FPOs. Policymakers, researchers, and practitioners can draw upon these insights to inform their efforts in promoting and strengthening FPOs in the agriculture sector. By addressing the challenges faced by FPOs and leveraging their inherent strengths, inclusive agricultural development can be fostered, rural poverty can be reduced, and the sustainability of farming communities can be advanced.

Chapter-6:Conclusion

The research on Ram Rahim Pragati Producer Company (RRPPCL) provides valuable insights into the company's performance and growth trajectory. The findings reveal that RRPPCL has demonstrated consistent improvement and progress in various aspects of its operations. Despite facing challenges in the rain-fed dryland regions, RRPPCL has successfully incorporated learnings, enhanced agricultural practices, and overcome hurdles to achieve positive outcomes. The company's efforts in aggregating production, addressing market challenges, and improving financial flows have yielded favorable results, as evident from the data and analysis of company financial. The RRPPCL case in point highlights the transformational potential of FPOs in solving the issues encountered by small and marginal farmers. The case study offers unique insights into techniques, methodologies, and best practices that may be replicated in similar circumstances to empower farmers, improve their livelihoods, and support sustainable agricultural growth areas.

In conclusion, the research has achieved its objectives by providing a comprehensive understanding of Farmer Producer Organizations (FPOs) and their impact on shareholders. The study has specifically focused on the Ram Rahim Producer Company (RRPPCL) and identified key factors and practices contributing to its long-term success and sustainability. The findings demonstrate that RRPPCL has effectively utilized strategies to overcome challenges and improve agricultural practices, resulting in positive outcomes for small and marginal farmers. The research also sheds light on the gender dynamics within RRPPCL, highlighting the differential effects on male and female farmers.

Overall, the case study of RRPPCL exemplifies the transformative potential of FPOs in addressing the issues faced by farmers. The insights gained from this research can be applied in similar contexts to empower farmers, enhance livelihoods, and foster sustainable agricultural development. The active Self-Help Groups (SHGs) within RRPPCL emphasize the importance of community-based organizations in facilitating collective action, skill development, financial inclusion, women empowerment,

knowledge sharing, and social welfare. By adopting these approaches and best practices, similar organizations can contribute to the overall growth and sustainability of rural areas, promoting the well-being of farmers and fostering resilient communities.

6.1 Suggestions

Knowledge Sharing and Capacity Building: RRPPCL should prioritize knowledge sharing and capacity building initiatives for its members. This can involve organizing training programs, workshops, and demonstrations on modern agricultural practices, sustainable farming techniques, and effective business management. Empowering the farmers with knowledge and skills will enable them to enhance their productivity, adopt best practices, and make informed decisions.

Collaboration and Networking: RRPPCL should actively seek collaboration and networking opportunities with other producer companies, government agencies, research institutions, and industry stakeholders. Collaborative efforts can facilitate knowledge exchange, access to resources, and collective advocacy for the interests of small and marginal farmers. Networking can also open doors for potential partnerships, market linkages, and shared learning experiences.

By implementing these suggestions, Ram Rahim Pragati Producer Company can further strengthen its position, expand its impact, and ensure sustainable growth for the benefit of its members and the agricultural community it serves.

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