

A Study on – “Assessment of the role of farmer producer organization (FPO) in empowering farmers of village Block districts of Jharkhand, India”

Dissertation Submitted to



The IIHMR University, Jaipur

for the partial fulfillment for the award of the degree
of Master of Business Administration (MBA)

in

Rural Management

By

Avinash Gaurav

Under the Supervision and Guidance of

Dr. Hemanta Kumar Mishra

2022

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DECLARATION BY STUDENT

The dissertation titled a study on **“Assessment of the role of farmer producer organization (FPO) in empowering farmers of village Block districts of Jharkhand, India”** is an original work based on my field experiences and gathered information. I confirm that it is not being submitted for diploma or degree awards to any other university or institution. There has been acknowledgment of information derived from the work of others, whether published or unpublished.



Avinash Gaurav

Date: 19th July 2022

CERTIFICATE

This is to certify that the dissertation titled **A Study on “Assessment of the role of farmer producer organization (FPO) in empowering farmers of village Block districts of Jharkhand, India”** is a record of the research work undertake by Mr. **Avinash Gaurav** in partial fulfilments of the requirements for the award of the degree of MBA-Rural Management from the IIHMR University, Jaipur under my guidance and supervision and his approach to the research study has been sincere, scientific, and analytical.

Dr. Hemanta Kumar Mishra

Assistant Professor

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Date: 19th July 2022

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Date: 19th July 2022

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ABSTRACT

In this dissertation report, we formulate a strategy for empowering farmer because FPOs are considered to empower smallholders and marginal farmers, thereby ensuring their prosperity. In India, where a large population depends on agriculture as a main source of income, FPOs could be a role changer if followed the proper compliances of government. FPO is a way to involve farmers in the development process and could suggest what are the factor which work well generating more income for the FPOs and what are the existing gaps. Jharkhand is a land of agriculture and mines. Many FPOs are formed in the state, however, the process of formation was not uniform. Hence, this dissertation tried to conduct the assessment with below research questions among the FPOs formed in Kurdeg village of Simdega block of Jharkhand, India.

1. What is the process of formation of FPOs, its governance, and current management practices in comparison to state's guidelines? Are the guidelines are being followed or not?
2. Whether the FPOs are really contributing to increasing the income of farmers over a limited period in the sample villages?
3. What are the factors that work well to generate more income for the FPOs and what are the gaps still existing in the district?

Explorative research design is executed in Kurdeg village of Jharkhand to understand the process of FPOs by which small farmers can protect themselves from the ill-effects of liberalization and encouraged to participate in modern competitive markets through empowering small and marginal farmers/producers. The Producer Company aims to improve their bargaining power and quality of life. And, considering the role of FPOs in agriculture today.

As a result, modern-day technology can be transferred more efficiently into "rural development programs, and the progress of their socioeconomic development can be monitored, and it is possible to make significant progress in eradicating poverty and providing youth and women with stable jobs.

The report also talks about the process of formation of FPOs, their governance and management practices in comparison to the state's guideline. It also says that whether they are complying it or not while process of formation. This has been derived through a narrative

literature review. The discussion with key respondents suggests that government intervention is necessary to strengthen the FPOs, however, in the lack of proper guidance to the NGOs, the capacity needs to be rebuilt once again.

ACKNOWLEDGMENT

This project would not be possible without the many people who contribute to its success. The enthusiasm and inspiration of my mentor Dr. Hemanta Kumar Mishra, as well as his great efforts to explain everything clearly and simply, are many reasons for my gratitude. I received lots of encouragement, good advice, good teaching, good company, and an abundance of good ideas during my Report writing period.

I express my sincere thanks to Professor Rahul Ghai (Dean of school of development studies, IIHMR, Jaipur) for his guidance and support during the whole of the course work.

I am deeply grateful to **South Vihar Welfare Society for Tribal**, Ranchi, Jharkhand, India for allowing me to do a study on “FPO Problem and making report upon how to empowered FPO ” and I would special thanks to **Mr. Gyanmani Ekka**, B.D.O, of Kurdeg block Simdega ,Jharkhand, for their Guidance , facilitation and provided accommodation at during the research work.

Mrs. Soumi Dutta, Secretary of South Vihar Welfare Society for Tribal, Mr. Mantosh Tiwari (Director of South Vihar Welfare Society for Tribal, Mr. Shubham Kumar filed coordinator, and Mrs. Anjali Dundung, and all other officials in the Kurdeg Village of Simdega Block are sincerely thanked for providing me with all the needed information and providing me with accommodations.

I would like to thank all the FPO member of Kurdeg block of all 7 villages that stayed with me in the field and accompanied me from house to house. I especially appreciate the involvement of all the stakeholders in answering questions. Specially thanks to all facility members who gave their contributions and support to the research study.

I would specially thanks, Mr. Siddhant Raj, Mr. Divyesh, Mr. Avinash, Mr. Sunny Singh for their precious consideration and facilitation during my work and I also like to thank IIHMR University’s friends for providing help and encouragement in times of need.

I also show my regards to my parents. To constant inspiration and guidance kept me focused and motivated. They here bore me, raised me, supported me, taught me, and loved me. My sincere gratitude goes out to those I have worked with all for being a part of this journey.

ABBREVIATIONS

FPO	Farmer producer organization
ATMA	Agricultural Technology Management Agency
STs	Scheduled Tribes
SC	Scheduled Castes
PO	Producer organization
HVA	High Value Agricultural crops
CBBOs	Cluster-Based Business Organizations
JOHAR	Jharkhand opportunities for harnessing rural growth

CHAPTER 1

INTRODUCTION

Simdega became a district of Jharkhand on 30th April 2001. The Seven development blocks, including Bano, Jaldega, Kurdeg, Bolwa, Simdega, Kalebira, and Thethaitangar, make up the district. Gumla district, Chhattisgarh, and Orissa form its northern, western, and southern borders, respectively. The Simdega district has 599813 residents, distributed among 107511 homes, as of the 2011 Census. With 94 percent of the people residing in rural areas, Simdega is predominantly a rural location. Only 6.6 percent of the population lives exclusively in urban areas, indicating a low rate of urbanization. Only Simdega exists as a town. 5.9 percent of households in urban regions are home to 6.6 percent of the population.

In Simdega district has the highest proportion of Scheduled Tribes (STs) in Jharkhand at 70.2 percent, followed by Gumla district with 67.2 percent. This district has a minority-concentrated population of approximately 80% Christian tribes. The majority of the population is composed of Hindus of all castes, except for the Mu slims who make up about 3% of the population. Hindus from various castes make up the remaining 8 percent of the population, with the Scheduled Castes (SC) making up the majority. The district is home to a number of tribal groups, including the Oraons, Kharias, and Mundas.

Agro-climatic Zone & major agro ecological situations of Simdega plateau with rugged topography, turbulent streams, steep slopes, high cliffs, and narrow valleys. The district slopes from north to south. In terms of geology, the area is composed of granites and gneisses from the Arcana period. The granite and gneisses tracts in the uplands contain considerable thickness of laterite of Pleistocene age. The river valley contains alluvium of recent to sub-recent age. The South Koel and Sankh rivers drain the area.

Despite this, agriculture and allied activities are at the core of the economy. A net area of 18.08 lakh ha is available for cultivation out of the total geographical area. Only 1.57 lakh ha of the net irrigated area is available for cultivation. Approximately 8 percent of the net sown area. Presently, the state produces only 22 lakh tons of food grains, which is enough to feed only 48 per cent of its population. However, dairy products, fish, and fruit are hard-pressed to meet 50 per cent of the state's needs. The state is primarily rainfed and crop production is largely dependent upon the monsoon.

Like in most other rural districts across the nation, the District's agricultural industry is the

primary source of income for the rural population. However, Simdega's agriculture is extremely underdeveloped and primitive. The bulk of people living in rural areas rely on conventional farming techniques. Only 4669.83 hectares of the 1, 34,024 hectares of cultivable land are irrigated, according to statistics. Other issues in the agricultural sector include a lack of infrastructure, a lack of scientific inputs, inadequate marketing tools, and inadequate irrigation facilities. Despite the district receiving 1100–1200 mm of rain on average each year, much of the rainwater is wasted due to a lack of rainwater gathering methods.

For example- Rice, Maize, Wheat, mustard, Black Gram pigeon Pea, Potato, Brinjal, Tomato, Mahua, and groundnuts are some of the major crops grown in districts.

The concept of the Farmer Producer Organization (FPOs) is very helpful in reshaping the dream of the government of India along with bilateral agencies. However, the diversity in the role of FPOs in bringing significant change is less evidence-based. In the Jharkhand state of India, FPOs are working for a long time with variations of success across the districts. More precisely, the FPOs, particularly for small and marginal farmers, have emerged as one of the most successful solutions to handle agriculture's sustainability issues, including greater access to investments, technology, and inputs, as well as markets.

The FPO is the most suitable institutional structure around which farmers can mobilize and build their capacity to collectively leverage their production and marketing strength. In this process, FPO members are smallholder farmers who organize themselves with the aim of improving farm income through improved production, marketing, and local processing activities..

COVID-19 forces farmers to accept these low prices because they cannot protect their crops from pests and diseases if left unattended.. This is according to a respondent fpo and Normally, tribal and other indigenous peoples collect minor forest products and sell them in their nearest Hatt (local market) which is commonly referred to as village market or periodic market, but after the lockdown, these sources of income had been shut down, making their lives miserable.

COVID-19 has negatively impacted tribal and indigenous people's socio-economic situation

in formal markets due to the sudden government lockdown. However, informal markets as well as quick government interventions have helped them survive anyhow. Due to the pandemic, many tribal and non-tribal indigenous people faced family crises.

Quarantine and social distancing are necessary to stop the spread of COVID-19, but people in areas like this town are at great risk of falling into extreme poverty and starvation without strong government support. The Government of India has launched various initiatives to support FPOs, such as the Stock Grant Fund Plan, the Loan Guarantee Fund Plan, the Feed and Feedback Generation Plan, the National Rural Livelihood Mission, etc. We also introduced a 100% tax. Deduction for sole proprietorships with an annual turnover of 5 million won or less. As a result of these plans, 10 billion won and FPOs will be encouraged to pool in these plans, which is a step in the right direction.

During the lockdown and subsequent disruption of supply chains, FPOs were given an opportunity to examine some of the issues they face. An immediate intervention can help them realize their unachieved goals of increasing value and improving distribution. The changes that we advocate now could have durable implications for FPOs, even after COVID-19 subsidies.

IMPORTANCE OF STUDY

Agrarian economies have been negatively affected by the trickle-down effects of COVID-19, causing supply chain disruptions that limit access to factors of production. Agricultural input supply and procurement are disrupted at ground level, resulting in falling market prices of produce, labour unavailability, and liquidity crunch at all levels of the agricultural value chain. "A market-oriented approach developed by The existing state of affairs in Kurdeg Village, Simdega, District, Jharkhand has also made it more difficult for farmer producer organisations (FPOs) to improve farmers' capacity and rural economy.

The importance of this study is the assessment to understand the role of farmer producer organization in empowering of village Kurdeg block, Simdega district of Jharkhand India. In the research I understand how FPOs help create suitability in income. By adding top-up activities such as capacity building, involvement of modern technologies and strategies etc... and also understand what the gaps and barriers are still in the district.

CHAPTER 2

LITERATURE REVIEW

Millns & Juhasz (2006) – Farmer-owned producer organizations provide a substantial contribution to enhancing the value chain of agricultural products, assisting farmers in obtaining higher prices for their output. Voluntary member-owned, financed, and managed farmer groups and farmer cooperatives play a crucial role in enabling people of the rural community to actively participate in their own development.

Rani Nidhi, (2017) – In this study to assess the impact of FPO formation on sustainable crop production in Karnataka, it was concluded that farmers lacked regular and authentic sources of market price information. Generally, farmers relied on their own past experiences and information provided by other farmers. By the end of the study, it was concluded that the benefits of forming FPOs were a 10% improvement in per hectare production.

Mohd. Ameer Khan, (2020) – According to the government, farmer producer organisations (FPOs) are the best institutional structure for enabling and strengthening farmers' capacity to utilise their production and marketing assets together. FPOs are groups of smallholder farmers who cooperate to increase farm profitability through production, selling, and local processing. Most FPOs in India do not use contemporary marketing strategies or technologies.

Ampaire (2013) – Marketing producer organizations, democratic governance systems, and organization size all played significant roles in enabling effectiveness. Additionally, unless deliberate efforts are made to address likely constraints, factors that improve effectiveness in primary/smaller groups may harm effectiveness in second-tier organizations. RPO leaders still needed capacity building to improve their management skills, which were largely insufficient. To ensure that member engagement is not hampered, the newly learnt management practises must be implemented.

Anika Trebbin, Markus Hassler (2012) – In India, producer companies are helping smallholder farmers access high-value markets, such as the export market and the modern retail sector. Indian agriculture is being liberalized and privatized, and private capital is increasingly interested in the agribusiness sector, threatening small farmers' livelihoods as

elsewhere in the developing world. Small-scale farmers face new challenges as the state withdraws from economic and productive functions, as well as changes in marketing channels.

Rondot (2001) – Producer organizations (POs) are structured rural organisations that provide agricultural inputs, credit, processing, and marketing services to their members in order to improve farm income." Producer organizations (POs) are helping to strengthen the economic position of smallholder farmers by providing them with agricultural inputs, credit, processing, and marketing services.

Trebbin and Hassler, (2012)- In order for small farmers to compete successfully in modern competitive markets, primary producers' organizations or collectives are suggested as the only institutions that can safeguard them from the negative effects of globalization.

Patibandla and Sastry, (2004) –Co-operatives or such groups are also argued to be necessary for small farmers so that they can realize better output prices and credit terms and, thus, avoid the interlocking of factor and product markets into which they are trapped as a general rule. Developing institutions that reduce informational and transaction costs for diffused private agents can be facilitated by an external agent. **A good example** of this can be found in the India role **Verghese Kurien** played in forming **Amul**. On the other hand, good norms can be destroyed when outside agents or free-wheeling capitals are introduced.”

Braverman (1991)- FPOs, for example, are expected to overcome the constraints placed on small farmers by their small farms by leveraging their collective power and bargaining power to gain access to a wide range of financial and non-financial inputs.

Sunil Kumar (2014) – “To Create opportunities for involvement in value-added activities, such as processing, distribution, and marketing, to enhance incomes, reduce input costs, and reduce transaction costs. As a result, if we wish to bring a transformation in agricultural sector to improve the livelihoods of smallholders, new institutional arrangements need to be made for post-harvest handling and marketing of produce from the farm gate until it reaches the consumer.”

NABARD (2011)- In order to help producer organizations (POs), the National Bank for Agriculture and Rural Development (NABARD) has taken action and adopted a flexible

strategy that satisfies the demands of producers. To place a specific emphasis on producers, the "Producers Organization Development Fund" (PODF) was established with an initial budget of Rs. 50 core.

Mbanza (2013) – “A review It has been found that rural cooperatives give a few advantages to their individuals. Government perceives cooperatives as a compelling device for further developing family food creation and attempts to help them by campaigning for supports, giving monetary help, giving data through agreeable officials, as well as giving agrarian sources of info and different appropriations. Besides, cooperatives give business and instruction that raise the degree of farming abilities among helpful individuals”.

Grace (2014) – “In Scotland, the cooperative movement has grown enormously since the first member-owned, member-run, and member-serving business was established. In Scotland, the cooperative movement has grown enormously since the first member-owned, member-run, and member-serving business was established. The number of cooperative organizations registered worldwide reaches 2.6 million in 145 different countries.”

Trebbin (2012-) “The concept of producer companies has captured so little attention, even in India. This needs to be addressed. Those companies are not actively promoted by the Indian government, but rather by civil society organizations. The government seems to have little faith in this concept as an alternative to the WTO's plan to privatize agriculture.”

Singh (2013) – In India, cooperatives are treated differently than PCs in terms of income tax exemptions, non-taxable welfare income exemptions, land lease at low or no cost, fertilizer allocation to PACS, seed supply and marketing support from foundations to cooperatives, state agency grants, and distribution channels.

Patkar et. al. (2012-) In India, cooperatives and PCs are treated differently in terms of income tax exemptions, non-taxable welfare income exemptions, land lease at nominal rates or free, fertilizer allocation to PACS, seed supply and marketing support from foundations to cooperatives, and grants from state agencies.”

Dhakal (2013)- The study found that a lack of ownership, inadequate group management abilities, and a lack of market links were the main causes of farmers' groups' demise. Members of the ARC (Agricultural Resource Centers) did not receive simultaneous

promotion in terms of their technical, managerial, and business skills..

Salokhe (2016) – Farmers can access quality inputs at low costs, obtain market information for different markets and prices, access new technologies, and tap into high-value markets with quality inputs. In order to get fair prices for their produce, FPOs are the best way to connect producers to markets.

Kaaria et. al. (2016) - As a result of their time poverty, triple roles of women are a major barrier to women's access to producer organizations. There are still a number of barriers that prevent women from becoming members of producer organizations in their own right and being able to access the services and benefits these organizations can provide”.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter presents the objective, sample design and the methodology for the study. Both survey data and case study methodologies are included in the study. A sample study of FPOs across major localities of commodities, and types of promoters such as NGOs, SHGs, farmers and their organizations was conducted to collect information on ownership and management structure. A number of case studies have been conducted on FPOs in each category and major district to provide a comprehensive analysis Understanding how FPOs operate and challenges they face.

RESEARCH QUESTION

These are the Research question for the studies are –

- Whether The FPO are really contributing to increasing the income of farmer winning a limited period?
- What is the process of formation of FPOs, Their governance and management practices in comparison to the state's guideline? Are these being followed or not? And
- What are the factor works well to generating more income for the FPOs and what are the gapes still in existing in districts?

OBJECTIVES

To answer the above the research question, the objective of the study framed is into

- Conduct the assessment on formation of governance management of FPOs and identity the factors and barriers which currently contribute to the growth of the income of the FPO members?

STUDY DESIGN

— Across- sectional descriptive research study design will be administered to answer the research Question.

SETTING

The study is is proposed to conduct in five selected villages of the Kurdeg block of Simdega district, Jharkhand. The cluster sampling method will be applied to select the village, and from each cluster, one village will be selected randomly. The names of the selected clusters

are Kasdega, Dumardih, and Bangaon. To get the answer to the research questions, FPO members enrolled in these villages will be contacted through a pre-tested semi-structured tool. Additionally, 5 Case studies will be used to identify the existing gaps in the formation of FPOs. Secondary data will be collected by referring to various kinds of websites, journals, newspapers, etc. The tool will be aimed at gathering information on understanding the current status of FPOs, how are they managing the FPOs, and doing governance. The findings of the study will be facilitating their business and institutional development paths, needs, and policy constraint

Table 1.1

S.no	Cluster / Village Name	Block/Administrative Division
1	Kasdega	Kurdeg
2	Dumardih	Kurdeg
3	Bangaon	Kurdeg
4	Khinda	Kurdeg
5	Gariajor	Kurdeg
6	Kurdeg	Kurdeg
7	Hethma	Kurdeg

The cluster sampling method will be applied to select the village, and from each cluster, one village will be selected randomly. The names of the selected clusters are Kasdega, Dumardih, Bangaon, Khinda , Gariajor, Kurdeg and Hethma

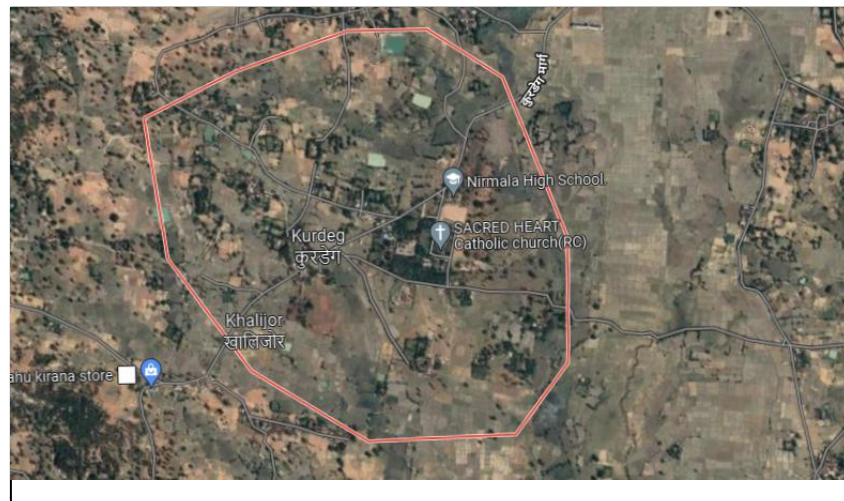
SIMDEGA DISTRICT MAP JHARKAHND



Map 1.1

A map indicating the Simdega district's location within Jharkhand. It has a total area of 3,750 km² (1,450 sq mi) and is 418 metres (1371 feet) above sea level. The region's boards are shared by Gumla district in the north, Ranchi and West Singhbhum in the east, Jashpur Nagar in the west, and Rourkela in the south.

THE MAP OF KURDEG BLOCK



Map 1.2

The bounded by the red circle is map of Kurdeg is Block in Jharkhand state, Kurdeg Block population in 2022 is 61,42 As per the 2011 census of India, there are 47,984 Kurdeg people living in this Block, 23,881 of whom are males and 24,103 of whom are females population. The population of Kurdeg in 2021 is 59,500. There are 27,484 literate people out of which 15,334 are males and 12,150 are females.

There are 23,401 workers who are multi-skilled, out of which 12,992 are men and 10,409 are women. A total of 4,475 cultivators depend on agriculture farming, of which 3,391 are men and 1,084 are women. A total of 4,007 people work in Kurdeg as agricultural laborers, 2,655 of them are men and 1,352 of them are women

SAMPLE SIZE

The sample size will be 100, and respondents will be chosen from each selected village of the Kuderg block. This means altogether 30 individuals will be selected from each of the selected villages mentioned earlier. The study is proposed to be completed within the time period of 3 months i.e., From 21st March 2022 to 18th June 2022. MS Excel will be used for conducting analysis as well as used to create graphs based and to analyze and interpret

the data

S.no	Village /cluster Name	Number of male respondent	Number of female respondent	Total number of respondent
1	Kasdega	21	07	27
2	Dumardih	22	07	29
3	Bangaon	5	3	08
4	Khinda	26	2	28
5	Gariajor	11	15	26
6	Kurdeg	19	12	31
7	Hethma	25	10	35

ETHICAL CONSIDERATION

All information will be kept confidential and safe. The respondents' consent will be sought for the Discussions and obtain informed consent that participants may be informed about the evaluation being undertaken and that respondents are aware of the survey questionnaire

THE IMPLICATION OF THE RESEARCH

This research will help FPOs assess potential roles for them given India's widespread usage of smallholder agriculture (which is characterized by POs and producer groups more generally). Second, given its surroundings, this will help us understand what sustains Jharkhand.

CHAPTER 4

RESULT AND DISCUSSION

As is the case in most rural districts of JHARKHAND .Agriculture was the main sources for the income of kurdeg area of farmers. The agriculture practices in Simdega are extremely primitive and underdeveloped. The majority of the rural population relies on traditional farming practices, and only 4669.83 hectares of the 1, 34,024 hectares of cultivable land are thought to be irrigated..

The absence of irrigation infrastructure, a lack of scientific input, subpar marketing infrastructure, and inadequate infrastructure are some of the observed issues in the agricultural industry. Seasonal rains play a significant role in determining agricultural production. Despite the district receiving 1100–1200 mm of rain on average each year, rainwater is rarely collected because there aren't many effective methods for doing so.

These are major commonly grown in this region are –

Table 1.3

S.NO	CROP	KHARIF CROP	RABI CROP	SUMMAR
1.	Oil seed crop	Groundnut,Niger	Toria,Rai, Mustard	-
2.	cereal	Maize and Rice	Wheat	Summer Rice
3.	Fruit crops	Papaya jackfruit mango, Custard apple ,Black berry	Papaya Guava mahua	Jack fruit
4.	Pulses Crop	Blackgram ,pea	Pea ,chickpea	-
5.	Vegetable	Lady finger ,cucurbits etc	Potato,Tomato, Brinjal , chilli , cauliflower ,Cabbage	Potato,Tomato, Brinjal , chilli , cauliflower ,Cabbage

As can be seen in the following table, major crops are grown in this area during the seasons of kharif and rabi

In the village of Kurdeg block, the major crops cultivated are as follows: area, production, and productivity

A comparison of the area, production, and productivity of the major crops cultivated in the

Kurdeg block villages shows that rice production is very high. The total area of rice cultivation, expressed in hectares, is 35468 hectares. It is only used for rice cultivation during the rainy season as there is not enough water. Wheat is the second largest proportion grown in 3567 hectares of land and produces 127820 tons of 15.05 % of the total productivity in this region. Total productivity is 1479230 tons of 40.03 % total productivity and only one season of agriculture is practiced in this region.

Table 1.4: The area, production, and productivity of the major crops cultivated in the kurdeg block village

S.no	crop	Area in hector	Production /tone	Productivity on %
1	paddy	35468	1479230	40.03
2	maize	2456	92145	15.25%
3	Pigion pea	2000	2564	5.25
4	Black gram	1200	10256	5.07
5	wheat	3565	127820	15.05
6	chickpea	2414	8956	5.02
7	Rai/Mustard	2456	19921	6.25

Maize is the Third largest proportion grown in 2456 hectares of land and produces 92145 tons of 15.25 % of the total productivity in this region. Rai/Mustard is the fourth largest proportion grown in 2456 hectares of land and produces 19921 tons of 6.25% of the total productivity in this region. And chickpeas and peas are grown in this region in small quantities.

Objective 1.1 Whether the FPO are really contributing to increasing the income of farmer winning a limited period?

In 2016, the Indian government declared that it will treble farmers' incomes by 2022. Due to this determination, discussions about farmers' welfare and the development of agricultural policy at the state level have focused heavily on the earnings of farmers. Launched in 2017, the JOHAR initiative is being carried out by the Jharkhand state government with assistance from the World Bank. Between 2017 and 2023, the project seeks to boost the actual income of farmers by 50% in 68 chosen blocks throughout 17 Jharkhand districts. The project attempts to accomplish this by undertaking interventions in non-timber forest products, livestock, fisheries, high-value agriculture (HVA), irrigation systems, and cattle (NTFP). and the government of Jharkhand introduces a number of programmes to raise farmer income.

1.2 Johar Scheme

A target beneficiary of JOHAR is rural producer households in self-help groups (SHGs) that have the ability to generate a marketable surplus. To improve access to inputs such as seeds, hatchlings, fingerlings, community-owned irrigation systems, markets, market intelligence, credit, and technical knowledge, farmers are organised into producer groups (PGs) and farmer producer organizations (FPOs).

FINDING A MAJOR PROBLEM AND STRENGTH OF FARMERS AND FPO OF KURDEG

The survey was conducted with the help of a questionnaire, where I asked questions about the problem and strength of particular region of Kurdeg block, Smdega district, Jharkhand.

I tried to give rank which are the major problem of particular region I asking the question from farmer both male and female are participated in this task to better why to understand the problem and strength of the farmers and FPO of the kurdeg block. In order to better understand the problem and strength of the farmers and fpo I asked the question both from male and female farmers who participated in this task questions.

In my survey, I discovered that 97 %of households grew paddy, 67 %grew HVA, 37 %grew potato, 18 % grew black gram , 14 %t grew onion, and 13 % grew tomato. Less than 10 % of households grew the remaining HVA crops, such as bananas, papayas, citrus, mahuwas, and vegetables.. and the area allocation is limited to small, fragmented landholdings of 0.08 acres per household, which lowers the region's productivity.

In households that practice paddy cultivation as well as HVA, the average gross revenue from agriculture is 85% higher than that of households that only cultivate paddy.

In the kharif season, 99% of households cultivate, with a declining proportion in the rabi season (47% households) and summer season (14% households). The rabi and summer cropping areas are also low, resulting in low crop intensities. In an agricultural year, a low proportion of net sown area is planted more than once?

INTERVIEWED WITH FARMER'S AND FPO MAMBER

A source of social empowerment for farmers and FPO members. The improvement in problem-solving abilities remained the top-ranked variable when asked about the social empowerment farmers felt as a result of FPOS, followed by confidence in making decisions and social acceptance. As the top three factors are strong markers of an increase in confidence and empowerment, it is evident that farmers who work for an FPO feel socially empowered. (table 1.4)

S,no	Questionnaire question (Variables)	Weighted average in %	Rank
1.	Participation in social activists	14.8	
2.	Confidence in decision making	17.47	
3.	Participation in village admirations	15.6	
4.	Problem solving	18	I
5.	Sense of social responsibility	13.73	
6.	Organizational skills	12.87	
7.	Awareness of socio economic development programmes	11.87	
8.	Improvement in communication skills	12.87	
9.	Sense of leadership	17.47	II
10.	A Involvement or dealing with addressing social issues and problems	15.93	
11	The assurance of children higher education studies	10.67	
12	Knowledge on improved technologies	9.7	
13	Sense of motivation doing social work	16.33	
14	Recognition in society	16.8	III

I discovered from the questionnaire that farmers and fpo have trust in social acceptance and decision-making. As the top three factors are strong markers of an increase in confidence and empowerment, it is evident that farmers who work for an FPO feel socially empowered.

Table – 1.4

Recently made FPO members i asked the questions to better understanding how FPOs are contributing to increasing farmer incomes during the limited period and South Vihar welfare Society for Tribal created a fpo member for aromatic rice production and marketing

An innovative project has been launched by the Kurdeg administration to Assist farmers in growing scented rice, packaging their products, and selling them under the Kurdeg rice brand.

Rice cultivation is a major production and cultivation in the Kurdeg block of the district. The project, called aromatic rice bowl, is designed to help farmers link up with proper markets for their product.

Around 1,000 farmers from 11 blocks in the district were provided seeds of traditional aromatic rice varieties, such as kala jeera, jeera ful, gobind bhog, bhukta, mansuri and sambha mansuri. Water supply for irrigation has been ensured through the renovation of canals and the implementation of other irrigation methods also been developed.

S.no	Types of rice
1	Kala Jeera
2	Jeera ful
3	Gobind Bhog,
4	Bhukta, mansuri
5	Mansuri

TABLE 1.5 This table showing type of rice cultivation in kurdeg block villages

Farmers' producer organizations named Sankh Aroma Trust have been formed to manage rice milling, packaging, and branding at Kurdeg through a semi-automated rice mill that will be operated by FPO members themselves. Analysing and comparing the price of local purchases made by middlemen with the price of local purchases made by retailers.

Table 1.6 This table show that comparing the price of local purchases made by middlemen with the price of selling in the market

S.no	Types of rice	Wheat purchases made by middlemen	Selling Market price
1	Kala Jeera	30	90
2	Jeera ful	25	70
3	Gobind Bhog,	15	30
4	Bhukta, mansuri	18	60
5	Mansuri	15	40

This graph comparing the price of local purchases made by middlemen with the price of selling in the market

In the graph above, you can see how middlemen affect the price of farmers. Farmers are not earning much from agriculture because middlemen buy their wheat at low prices and sell it at

high prices to rice mills.

The main objective of FPO created by Sankh Aroma Trust have been formed to manage rice milling, packaging, and branding at Kurdeg through a semi-automated rice mill that will be operated by FPO members themselves and doubling the income from agriculture production

In this rice mille, they are helping the farmers of Simdega to make an FPO so that they can profit from the produce, forgo middleman and help in making as much profit while doing so. The small famers have a very limited knowledge of marketing and branding of their produce and are unable to bargain a good price for the same.

Sankh Aroma Trust design the marketing strategy for the launch of the product “Aromatic Rice” in the nearby market of Simdega (A District of Jharkhand), produced by the FPO – Simdega, by the end of February 2022 in order to capture the major cities of Jharkhand, Chhattisgarh, Orissa, and Bihar. Also the focus was to make them sustainable in the long run and independent of any external aid or help.

market strategy/survey

	Wholesaler	Supermarket (Future Group, Reliance)
Margin - Price	Rs. 2-5/kg Retailer margin Rs. 7-9/kg	NA (Decision post vendor registration)
Procurement strategy - Source	Rice Mills located in the region like Baba Mills, etc. Neighbouring state like Chhattisgarh, Bihar, Orissa Bardhaman - premium quality rice source	Rice Mills as a vendor
Distribution channel	Over the counter sale or distribution to local retailers as a prominent vendor	D2C
Key consumers - Types (like HORECA business owner)	Retailers and Hotel chains	End Consumers

Range of products available	Sonachur Sonamasuri Rajbhogam Gobindobhog Jasmine Basmati	Sonachur Sonamasuri Rajbhogam Gobindobhog Jasmine Basmati
Demand-Supply economies of aromatic rice	Average sales of 2 Ton per month with sales peak up to 3 Ton in month pf Nov, Dec, Jan	Currently stockout because of peak buying season
Neighbouring state demand and connection	Jharkhand is mostly in importing side of the economy	Zonal Distribution strategy
Highest Selling product and % contribution of the same	Good Day - Sonachur with around 22% contribution in distribution of Aromatic Rice	Branded Products from the shelf hand loose products share market equally
Transportation charges	0.5-2 Rs per Kg with Min. Order Qty of 5 Ton based on distance max to 200km	NA
Brands	Good Day K B Gold Nice Kitchen Baba	NA

(Objective 1.2) What is the process of formation of FPOs, Their governance and management practices in comparison to the state's guideline? Are these being followed or not?

Understand fpo formation and their governance role and management practices in comparison to the state's guideline are

The Central and State Governments, as well as their agencies, will actively promote and assist the creation of FPOs by employing funding from a variety of Centrally-sponsored and State-funded programmes in the farm sector agencies.

In order to achieve this goal, the concerned promoter body will form a coalition of partners, including civil society institutions, research organizations, consultants, and companies from the private sector.

The agencies of the Central and State Governments involved in the promotion of FPOs and

offer a thorough road map for achieving the goal of constructing FPOs, particularly if monies from Central programmes are being used. State governments may, however, create their own independent standards to support FPOs if they choose to do so. State funding for the some

The "Formation and Promotion of 10,000 Farmers Produce Organizations (FPOs)" Central Sector Scheme was launched by the Indian government to boost the income of farmers countrywide, including those in Jharkhand. According to the plan, new FPOs will get five years of expert mentoring assistance.

Provisions have also been made for matching equity grants up to Rs. 2,000 per farmer member of the FPO with a limit of Rs. 15.00 lakh per FPO and a credit guarantee facility up to Rs. 2 crore of project loan per FPO from eligible lending institution in order to ensure institutional credit accessibility to FPOs. The skill development of the FPOs has been established with a proper plan.

For example - FPOs were formerly promoted by a number of organisations, including SFAC, NABARD, and DAY-NRLM. The Indian government has been promoting Farmer Producer Organizations (FPOs) through the Small Farmers' Agribusiness Consortium (SFAC), a registered society under the Department of Agriculture, Cooperation & Farmers Welfare. SFAC organises farmers, helps them register as businesses, and gives them training to improve their income and sustainability. There are 10 FPOs in Jharkhand and 41 in Odisha out of the 910 FPOs that SFAC has promoted across the country.

THE SCHEME RELATED FPO FORMATION BY JHARKHAND STATE GOVERNMENT

FPOs were formerly promoted by a number of organisations, including SFAC, NABARD, and DAY-NRLM. The Indian government has been promoting Farmer Producer Organizations (FPOs) through the Small Farmers' Agribusiness Consortium (SFAC), a registered society under the Department of Agriculture, Cooperation & Farmers Welfare. SFAC organises farmers, helps them register as businesses, and gives them training to improve their income and sustainability. There are 10 FPOs in Jharkhand and 41 in Odisha out of the 910 FPOs that SFAC has promoted across the country.

Government has launched my programme to promote FPO but in execution part the farmer

not getting benefited from such programme because lack skilled trainer and To ensure that farmers receive financial support, SHG lending capacity needs to be improved, and agribusiness financing needs to be promoted.

KNOWLEDGE

- FPOs are voluntary organizations controlled by farmer-members who actively participate in decision-making.
- Members of the FPOs may not be discriminated against on the basis of social, racial, or political differences.
- FPOs provide training and education to their farmer-members, managers, elected representatives, and employees in order to contribute effectively to their development
- Cluster-Based Business Organizations (CBBOs) promote and form the FPOs and implement them at the cluster or state level.
- To improve branding, specialization, processing, marketing, and exports, FPOs are promoted under the 'One District One Product' program.
- As part of the training process, FPOs provide hand-holding and adequate training, and CBBOs provide the initial training.
- FPOs are formed at a priority in aspirational districts, with at least one in every block

CHAPTER 5

DISCUSSION

This study aims to analyse the governance and management practices of FPOs, determine their performance, and examine future growth constraints. According to the “Ministry of Agriculture and Farmers Welfare”, the FPOs are developed as part of the 'One District One Product' production clusters, where horticultural produce and agriculture are both grown for better market access.

My study was conducted in the Simdega district of Jharkhand state and before no study conducted upon on FPOs Several factors were considered, including commodities/crops, activity, services, age profile, nature of promoting institutions According to the study, sample FPC dynamics and governance aspects were quite positive. These are important objective that helps my conducting survey. According them

1. Whether The FPO are really contributing to increasing the income of farmer winning a limited period?
2. What is the process of formation of FPOs, Their governance and management practices in comparison to the state’s guideline? Are these being followed or not? And
3. What are the factor works well to generating more income for the FPOs and what are the gapes still in existing in districts?

The main objective of FPO is to ensure that the better incomes for producers through their own producer organization. A scale economy can be beneficial in the following ways:, small producers must produce large quantities of inputs and produce together There are also many intermediaries involved in agricultural marketing, remove the middle man for agriculture sector and generate more income which mean doubling the farmer income . The state and centre government and state government developing or introducing many schemes to promote FPO.

THE MAJOR PROBLEMS IN KURDEG BLOCK

After examining the comments and problem of farmers, in research were identified some key issues, including the following:

- ATMA having a poor professional skill for agriculture technology .
- Block level people are not getting information about the scheme
- Operational problems of organization and NGOs they are not working properly
- Poor marketing and value addition experiences.
- Lack of fund
- Transportation problem in this district no railways line
- Political factor are also infusing
- Small holding agriculture land of farmer
- Low level of ground water

CONCLUSION

The farmers and their organisations will need to play a significant part in the development of agriculture and the rural sector in the sub region as a result of the new dawn that has come. The state is now learning to communicate with the entities that are taking on the responsibility for these duties since it is no longer directly involved in the 28 procurements of inputs, production, processing, and selling of agricultural goods. This study aims to analyse the governance and management practices of FPOs, determine their performance, and examine future growth constraints. According to the “department ministry of Agriculture and Farmers Welfare” the FPOs are developed as part of the 'One District One Product' production clusters, where horticultural produce and agriculture are both grown for better market access.

During Covid- 19 the farmers are getting or to accept these low prices of goods because there is no way they can protect their crops from getting vegetable or crops get rot if they remain unsold. This is according to a respondent FPOs and Normally, tribal and other indigenous peoples collect minor forest products and sell them in their nearest Hatt (local market) which

is commonly referred to as village market or periodic market, but after the lockdown, these sources of income had been shut down, making their lives miserable

My study was conducted in the Simdega district of Jharkhand state Kurdeg 7 village and before no study conducted upon on FPO Several factors were considered, including commodities/crops, activity, services, age profile, nature of promoting institutions According to the study, sample FPC dynamics and governance aspects were quite positive. Infrastructure facilities, such as sheds and storage structures, and primary processing facilities, were created using government funding schemes.

Most marginal and small farmers are oppressed by middlemen/commissions FPO is an ultimate solution to the problem since it provides agents with remunerative prices and profitable income. Education, business planning, and marketing require more involvement from the promoting institutions Linkage of the market with various state governments. Support from policy makers in the operation of the market It will be a great benefit to the farming community to have the FPO.

Kurdeg had ATMA, but they did not have skilled trainers who were trained in new agriculture technologies these are the major problem and Sankh Aroma Trust design the marketing strategy for the launch of the product “Aromatic Rice” in the nearby market of Simdega (A District of Jharkhand), produced by the FPO – Simdega, by the end of February 2022 in order to capture the major cities of Jharkhand, Chhattisgarh, Orissa, and Bihar. Also, the focus was to make them sustainable in the long run and independent of any external aid or help and making market strategies.

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QUESTIONNAIRE

1. Name of the FPO-
2. Location (village name) -
3. Year of Establishment
4. Number of shareholders (Farmer member base)-
5. Number of villages covered-
6. Major crops grown during Kharif season
7. Major crops grown during Rabi season-
8. . Major activities of FPO-
9. Whether FPO has Agri-Input License? (If FPO is selling Agri inputs to the farmers)
10. Whether obtained any Financial and Technical support from the State Government? (Schemes and subsidies)
11. How many meetings will be conducted by ATMA with the Farmers in a year? what all things will be discussed in the meeting
12. Female participation in decision making –
13. What are major problem faced by farmer and FPO
14. Do have Problem with FPO organization
15. Did you benefited from Jharkhand government scheme like Johar scheme, Horticulture drip irrigation scheme or other
16. What difficulties did you faced taking government scheme benefited
17. If farmer producer organization fpo is created it will sustainable for the this region

LIST OF FIGURE



Fig 1 Discussing about the problem with Rice mill with Fpo



Fig 1.2 – Kurdeg rice Mill Established by sankh Aroma Trust



Fig 1.3 discussing the deography of village and route with fpo member



Fig 1.4 fpo member working in rice mill in kurdeg



1.5 At ATMA office kurdeg simdega



1.6 Kasdega panchayaat Bhawan discussing about problem of FPO and market