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Original Article**Farmer Producer Organizations (FPOs): A pathway to Farmers' Upliftment****Dr. Shivcharan Meena* and Dr. A.K. Panda******Research Officer and **Dy. Secretary, NITI Aayog***Corresponding Author: agrianss@gmail.com**Received: 11/04/2025**Published: 14/04/2025***ABSTRACT:**

Agriculture plays a significant role in India's economy, with farmers being key players in this sector. Thanks to their immense efforts and hard work, we have achieved self-sufficiency in agriculture. However, a majority of farmers (86%) fall into the marginal and small category, owning less than 1.1 hectares of land. While these farmers possess the knowledge and skills to produce crops, many struggle with selling their produce and accessing necessary resources.

FPOs can be promising solutions of these challenges. Recognizing the importance of FPOs for Farmers' welfare, the GoI launched a dedicated scheme for promotion and formation of 10000 FPOs across the country. The target was reached ahead the schedule and Bihar state has witnessed the 10000th FPO. Further, the FPOs are working effectively and yielding desired outcome which is vary from state to state and region to region; some of them are still grappling with the issues. With this article, an effort has been made to identify the problems and prospects for FPOs, along with suggestions for ensuring their long-term success. Farmer Producer Organizations have the potential to invigorate the rural economy, but this requires a solid strategic plan, tailored approaches to local needs, and collaborative efforts among farmers.

KeyWords: FPOs, Atmnirbhar, Prospectus, SFAC, Farmers etc.

Agriculture in the country achieved *ATMANIRBHARTA* from *NIRBHARTA*. This could be happened with the immense efforts of our scientists, policy makers and most importantly Our Farmers. About 86 percent of farmers in the country are small and marginal, with average land holdings of less than 1.1 hectares (PIB, 2023). Instead of their significant role in agriculture development, these farmers face challenges in accessing technology, quality seeds, fertilizers, pesticides, and financing. Farmer Producer Organizations (FPOs) play a vital role by uniting small, marginal, and landless farmers. Through collaboration, FPO members can address these challenges together, gaining better access to resources and markets, which ultimately enhances their income and fosters a more sustainable future.

Farmer Producer Organisation is a generic name, which refers to farmer- producers' organization incorporated/ registered either under Part IXA of Companies Act or under Co-operative Societies Act of the concerned States and formed for the purpose of leveraging collectives through economies of scale in production and marketing of agricultural and allied sector (PIB, 2025). FPOs hold immense potential to transform agriculture into a profitable venture while empowering rural communities. However, their success hinges on laying a strong foundation with the right vision and approach. Starting a new enterprise often involves common pitfalls, and recognizing these can pave the way for greater opportunities and sustainable outcomes.

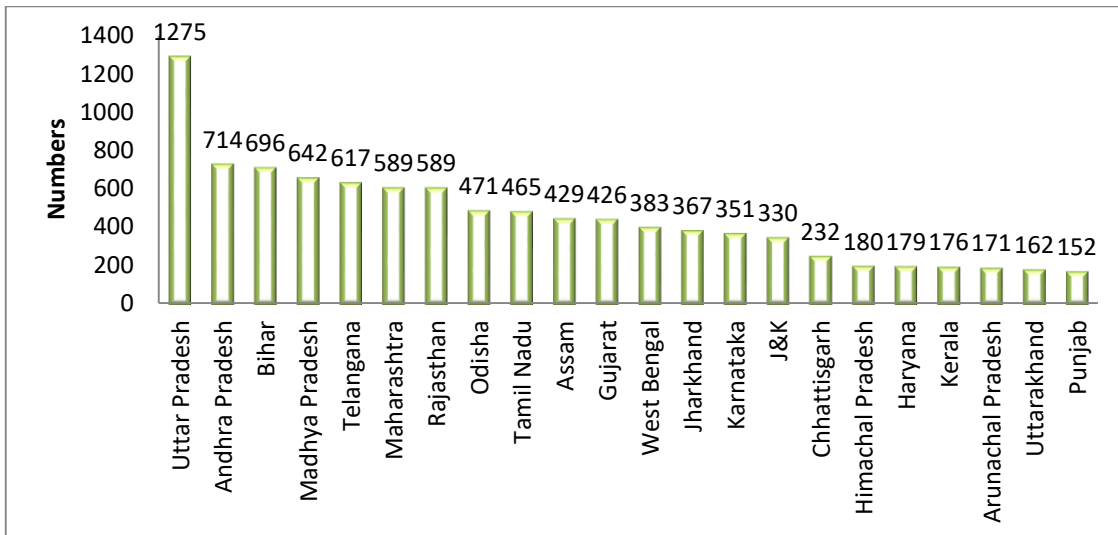


Fig.1: State having >100 number of FPOs registered under 10,000 FPOs scheme

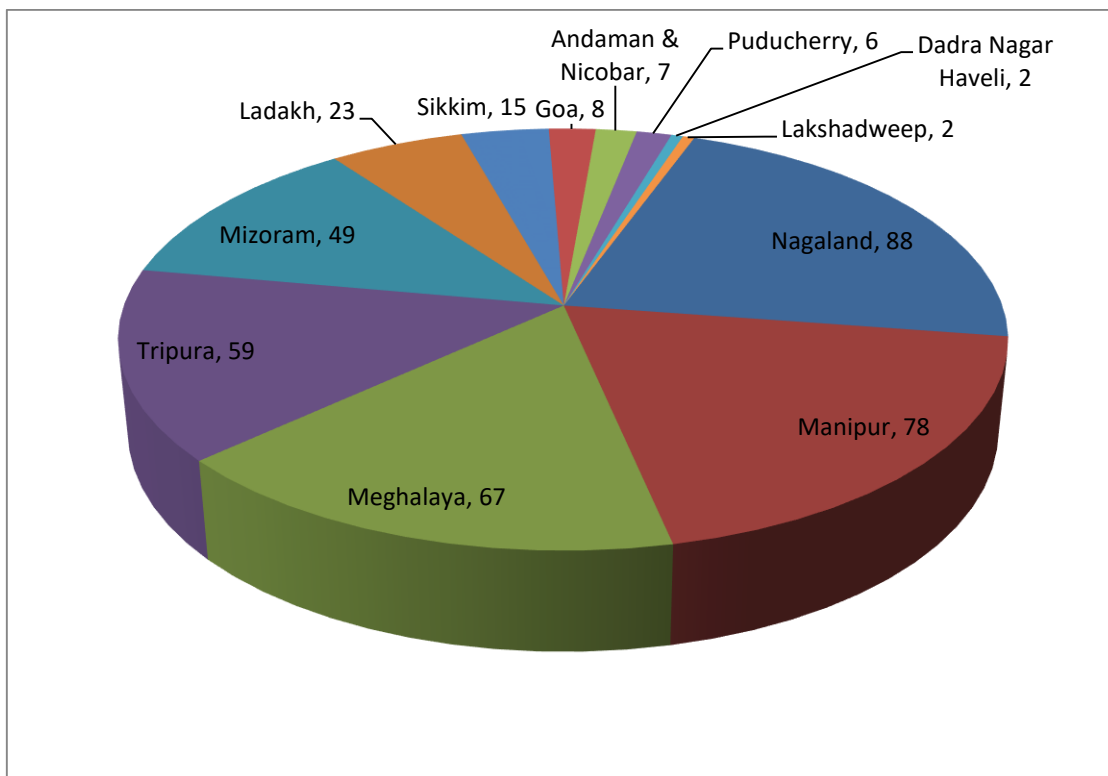


Fig.2: State/UTs having <100 number of FPOs registered under 10,000 FPOs scheme

The GoI recognized the potential of FPOs and took necessary initiatives to promote them across the country. The Small Farmers' Agribusiness Consortium (SFAC) was established to assist the states in forming FPOs. A dedicated Central Sector Scheme for the "Formation and Promotion of 10,000 Farmer Producer Organizations" with a budget of ₹6,865 crore allocated until 2027-28 was launched on February 29, 2020 (GoI,2025). This target has now been achieved, with Bihar witnessing the registration of the 10,000th FPO in Khagaria district, focusing on maize, banana, and paddy production. Different organization in which FPOs are registered are Small Farmers Agri Business Consortium (3711 FPOs), and NABARD (6149 FPOs). Research consistently shows that about 60% of registered Farmer Producer Organizations (FPOs) comprise approximately 500 farmer shareholders each. Furthermore, 10-15% of these FPOs proudly maintain more than 1,000 farmer shareholders. Significantly, nearly half of all registered FPOs possess an authorized capital of around 1 lakh (Kumari et al., 2024; Kumar et al. 2020). Further, it is pertinent to mention that, the outcomes of these FPOs are varies; some of them are working significantly while the others are still facing problems.

Identifying Problems and Crafting Solutions

We often view challenges in agriculture—such as poverty or unprofitable farming—in broad, generic terms. However, these issues are too vast to address without specificity. To devise effective solutions, problems must be defined precisely, such as "increasing agricultural productivity," "simplifying market access," or "ensuring fair prices for farmers." Without a detailed analysis, solutions remain vague and ineffective. A common mistake is becoming so attached to our ideas that we overlook their flaws. For instance, efforts to address rural challenges through self-help groups (SHGs), cooperative societies, and now FPOs have been made repeatedly. Experience shows that merely changing the structure does not resolve issues—strategic planning and robust implementation are critical for success.

Key Challenges Facing FPOs:

FPOs encounter several obstacles in their operations. Primarily Farmers mobilizing; the slow pace of adopting changes within farming communities poses a significant issue. Followed by Compliance with the Companies Act, GST, Digitization, Income Tax and Market regulations may poses challenges/threats related to technological reliance, security, initial costs, and accessibility to the marginal & small stakeholders/farmers. Further, meeting demands for large quantities of produce while maintaining consistent quality, and fair price realization is a persistent struggle along with a difficulty of competing with existing firms / brands and their monopolistic practices.

Building a Smart Business Plan

For FPOs to thrive, their business model must be scalable and self-sustaining. Success in selling agricultural produce requires a deep understanding of market needs and aligning operations accordingly. Key steps include:

- **Prioritization:** Focus on a single crop, a specific variety, and a uniform farming practice to streamline efforts.

- **Branding and Quality:** Market products based on utility and quality, rather than relying on a "narrative of poverty" to appeal to buyers.

Leveraging Modern Technology and E-Platforms

In today's digital age, FPOs must embrace modern technology and e-platforms to stay competitive. Initiatives like "e-Crop" can support FPOs with marketing, grading, packaging, and financial assistance, bridging gaps between producers and markets efficiently.

Unity as the Path to Success

The market respects volume. When FPOs collaborate and pool their resources, they can aggregate large quantities of produce to meet market demands—a feat unachievable through individual efforts alone. Collective action is the cornerstone of their potential impact.

CONCLUSION

Farmer Producer Organizations have the power to breathe new life into the rural economy, but this requires a solid plan, strategies tailored to local needs, and united efforts. FPOs should not be seen merely as businesses but as a transformative model for farmer development. By addressing challenges with precision and leveraging opportunities like technology and collaboration, FPOs can unlock a future of prosperity for India's farming communities.

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