

Farmer Producer Organisations (*FPOs*) for promotion of non- chemical sustainable agriculture

C. Shambu Prasad, IRMA

April 20, 2022



**DR. VERGHESE
KURIEN
CENTENARY**



Contents

- Overview of FPOs in India
- Fields of Change
- Financial performance of select FPOs
- Towards sustainability - cases

Co-creating knowledge on FPOs: Whither CSOs



Workshop Report

31

Framing Futures: National conference on Farmer Producer Organizations

2nd and 3rd February, 2017 at IRMA, Anand, Gujarat

Facilitator
C Shambu Prasad



Training of Trainers (TOT) Workshop on Capacity Building of Board of Directors of Farmer Producer Organizations (FPOs) June 6 – 8, 2019, at DSC Bopal, Ahmedabad

© December 20, 2019 • 1,263 Views • 11 Min Read



C. SHAMBU PRASAD

The operational guidelines for the 10,000 FPO policy were also released in July 2020 and, unlike the farm bills, received less attention. A closer look at the mechanisms of policy, such as the FPO guidelines, reflects the

The subsequent bill and changes in the Companies Act has gradually led to the formation of Farmer Producer

Working Paper 317

Issues in Policy Implementation: Insights from an E-survey on Operational Guidelines for 10,000 FPOs

C Shambu Prasad, Deborah Dutta, and Vandana Ravichandran
Dec 2020

C. Shambu Prasad

There are enough reasons to think that there is an FPO movement. From being an obscure word in a few conferences by civil society organisations a decade ago, FPO has become

These are reflective of the shift in understanding of farming or agriculture as a 'value-led enterprise', as articulated in the Doubling Farmers' Income (DFI) report, whose last volume was released in early 2019. Accordingly, farmers are to be empowered with improved market linkages and FPOs seem integral to this strategy. There are over 280 references to FPOs in the 14-volume report. The FPOs are to become effective in reaching out to small and marginal farmers, building

SOIL Report Dec 2019

**FARMING FUTURES: AN ANNOTATED BIBLIOGRAPHY ON
FARMER PRODUCER ORGANISATIONS IN INDIA**

C. Shambu Prasad and Gautam Prateek

April 2019

4




Emmanuel Murray


oikos Case Writing Competition 2017
Social Entrepreneurship Track

1st Prize

Dharani: Nurturing the earth,
fostering farmers' livelihoods

Joseph Satish V (University of Hyderabad, India) &
C Shambu Prasad (Institute of Rural Management Anand,
India)






Karunakar Manthri a...
 Mar 31 · 5 min

Loans, Liquor, and Targets: Social dynamics and...

Registering an FPO forms only a small part of making the institution viable...

170
 0
 2






Abhishek Saxena, Ar...
 Mar 3 · 5 min

Overcoming post project pangs: What does it take...

What happens to FPOs after withdrawal of project support? Are there good...

189
 0
 1






Geeta Oza
 Jan 22 · 5 min

Cooking their recipe of success: How RASKUM...

A team of eight tribal women from RASKUM mahila producers compa...

253
 0
 3






Vaibhav Bhamoriya a...
 Dec 9, 2021 · 5 min

Markets don't come to mountains

Umang was established first as a cooperative and transformed into a...

108
 0
 1






Siva Muthuprakash ...
 Dec 9, 2021 · 4 min

From an informal group to a successful...

Janajevana MACS is a farmer collective from one of the most drought pron...

141
 0
 1






Gayatri Pallavi GL, B...
 Dec 9, 2021 · 5 min

Venturing in Market, Going Bananas -...

This blog is about Kazhani FPC's success so far with its bold experiments with...

247
 0
 1






Tara Nair
 Dec 9, 2021 · 4 min

The Seeds of a Sustainable Future: Understanding th...

This post is about a Karnataka-based farmers' movement and the two...

66
 0
 1





Nikhila Shastri and ...
 Dec 9, 2021 · 5 min


Bastar Fresh: The making of a wild custard apple...

MFPCL's journey about strengthening the custard apple value chain in the...

271
 0
 1

32 Blogs on Collective enterprises






Gautam Proteek
 Dec 8, 2021 · 5 min

From walk to scooty: What does it take to sustain...

KBSSSL story is indicative of the long gestation periods involved in...

178
 0
 1






Sachin Oza and Abhi...
 Dec 8, 2021 · 4 min

CEOs as entrepreneurs – the leadership...

This blog discusses the possibilities, and associated risks of entrepreneurial...

170
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

Naveen Patidar and S...
 Nov 7, 2021 · 5 min

Why local markets might work better for some FPCs?...

PPPCL, a tribal women farmers' Producer Company is unique as it i...

430
 0
 1






Preeti Priya, Anand V...
 Oct 29, 2021 · 5 min

From Despondence to Optimism: How a...

A lot has been spoken and written about attaining the 'magical' number of 10,00...

146
 0
 1






Pallavi GL, Gayatri L...
 Sep 21, 2021 · 5 min

Fostering steady growth of an FPO through a 3-Fold...

Vrutti's innovative Business Acceleration Unit (BAU) has played a crucial role ...

695
 0
 3






Arnab Chakraborty
 Sep 16, 2021 · 4 min

A collective movement- What I learnt from a...

Like many urban Indians, for a long time, my only association with...

108
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 1






C. Shambu Prasad an...
 Aug 17, 2021 · 5 min

Seeding an FPO Movement: Madhya Bharat...

Madhya Bharat's experience shows the critical role of advocacy...

492
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 2




Abhishek Saxena an...
 Jul 21, 2021 · 5 min

Engage Stakeholders early and often: How...

How Prakriti Foundation's efforts have helped create a buy-in for the three-year...

495
 0
 1

Conversations with CEOs



LEARNING WITH LFI SERIES PRESENTS

THE JOURNEY OF SUSTAINING LIVELIHOODS AND SECURING SEED SOVEREIGNTY

EXPERIENCES BY THE FOUNDER OF SAHAJA SEEDS

G Krishna Prasad, is the founder and director of Sahaja Seeds, a farmers' collective dedicated to saving and selling indigenous varieties of seeds. Krishna has been working for the past 25 years to preserve indigenous varieties of seeds. Through Sahaja, Krishna is creating a new market for organic farming in India by leveraging the knowledge and networks of existing farmers. He believes that the assured supply of quality organic seeds is the first step toward conserving traditional seed varieties and promoting organic farming.



G KRISHNA PRASAD



Prof TARA NAIR
Gujarat Institute of
Development Research

This discussion will be moderated by Prof Tara Nair. 'Learning with LFI' is an online conversation platform to discuss sustainability and agrarian issues

TUESDAY, 22 MAR
5 -6 PM
IRMA

[https://zoom.us/j/95499422075?
pwd=ZkJEbnNqSFMyVjRlplMy9yaE0xajQzd09](https://zoom.us/j/95499422075?pwd=ZkJEbnNqSFMyVjRlplMy9yaE0xajQzd09)

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4-5:00 PM
IRMA

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JASVANT CHAUHAN



SACHIN OZA



ASTAD PASTAKIA

THEME: WHAT DOES IT TAKE TO MANAGE AN FPO? A CEO'S PERSPECTIVE

JASVANT CHAUHAN, CEO OF KRISHIDHAN FPC IN
CONVERSATION WITH SACHIN OZA AND ASTAD PASTAKIA

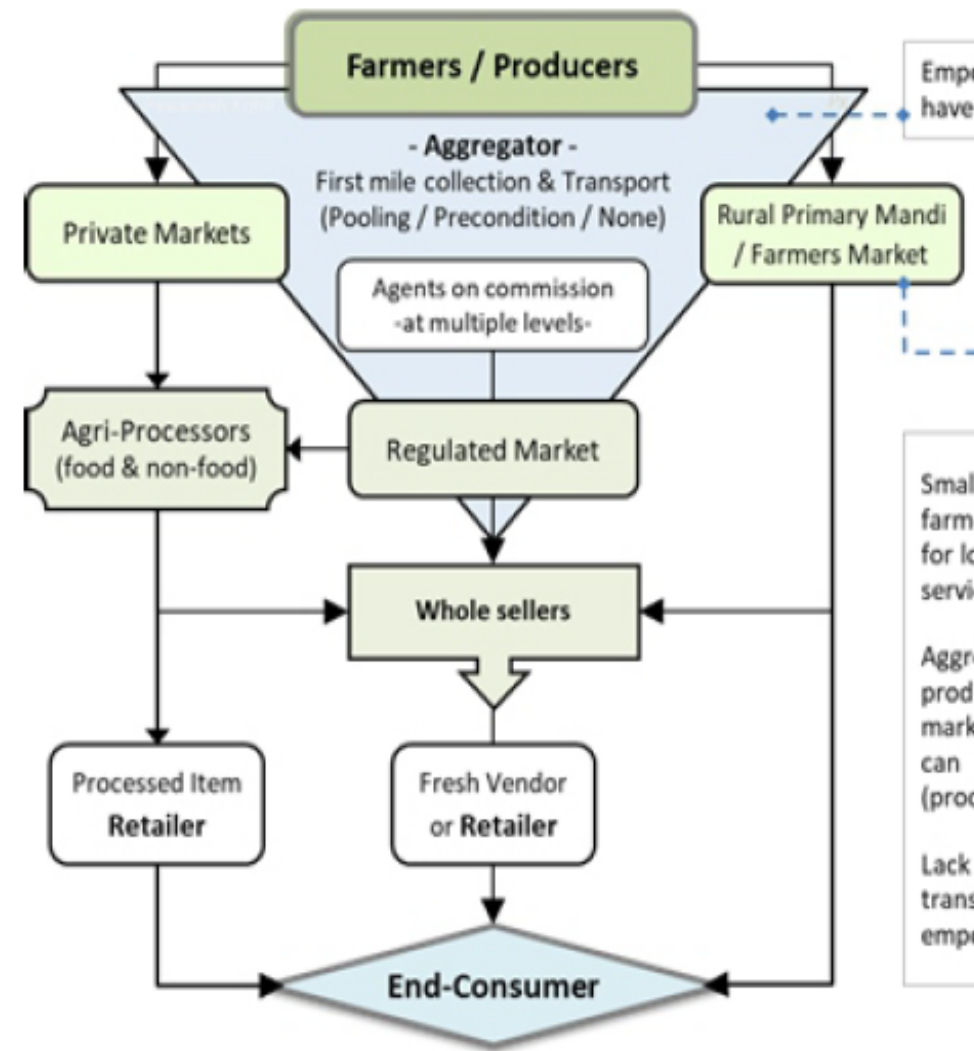
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Beyond Farm Bills: Is mere aggregation enough?

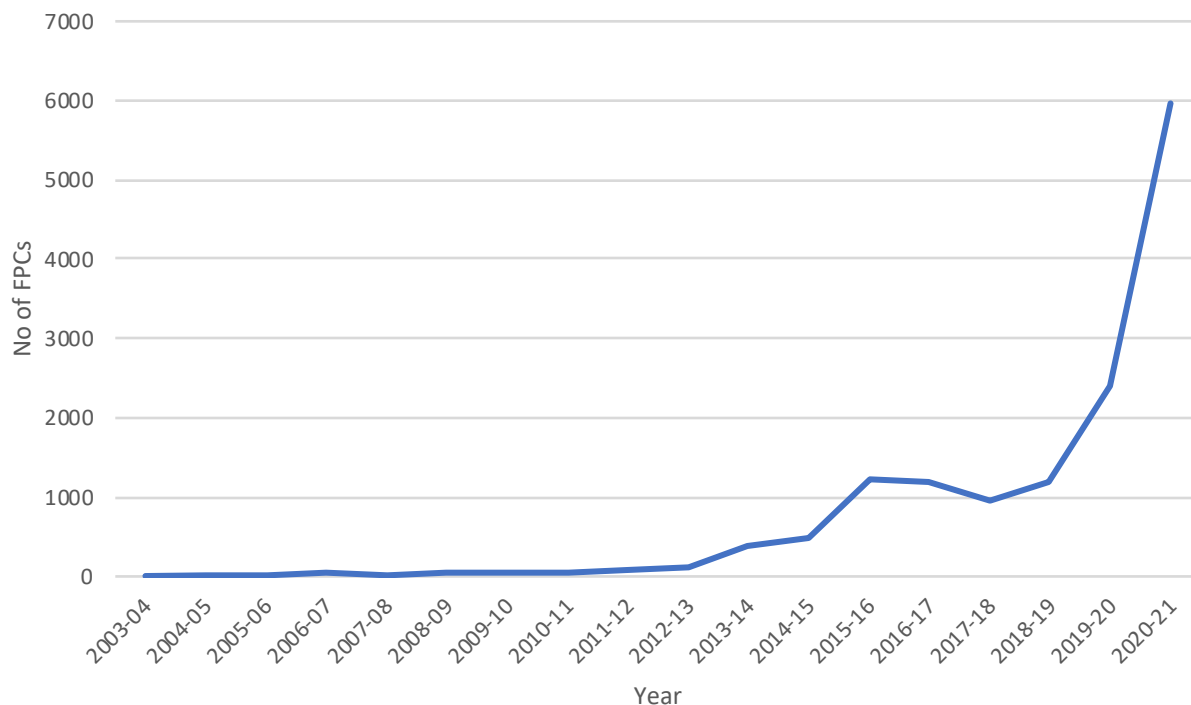


- Are there spaces beyond '1991 moment for reforms in agriculture' and 'corporate takeover of agriculture'....
- FPOs invoked in support DFI 285 references, 'growth engine'
- FPOs as being more inclusive than older coops - NABARD 6000 FPOs (20-25% withdrawn/ struck off), 81% small and marginal, 33-35% women
 - 3000 FPOs business plans, 2500 market linkages, 900 bank credit
- NCDEX commodity trading – 1 lakh tonnes



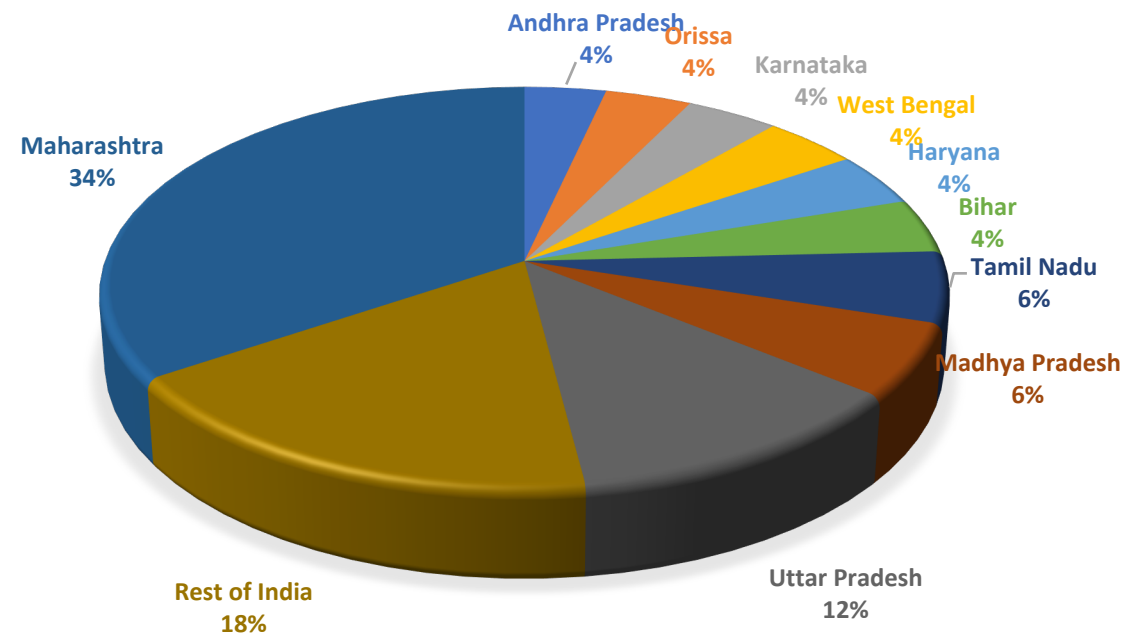


Year wise FPCs registered during 2003-2021



Doubling FPOs....farm incomes?

STATEWISE NO OF FPCS IN INDIA 2003 - 2021



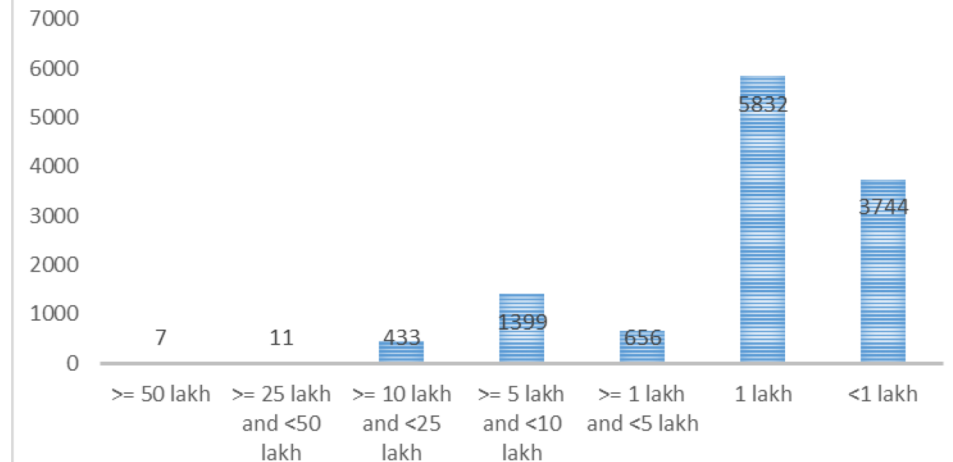
The FPO Puzzle: Ubiquitous but....

Are FPOs stillborn?

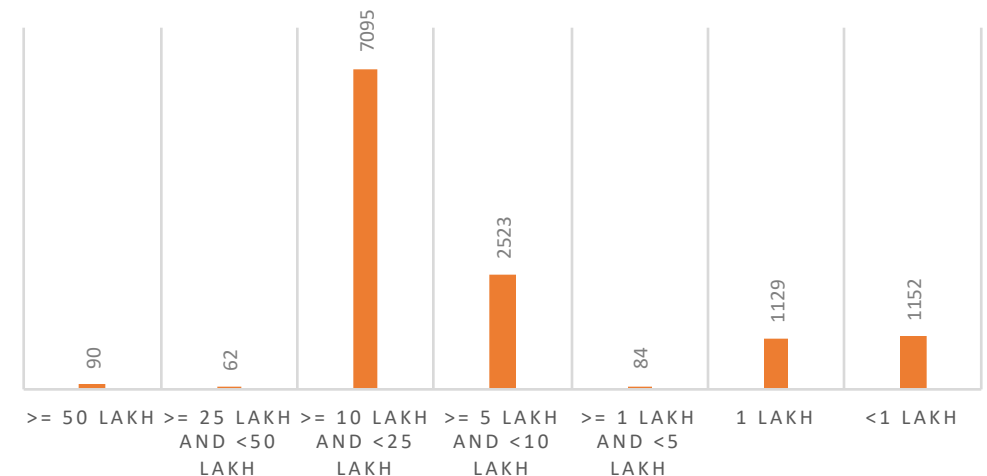


- Truly small - 79% paid up share capital less than Rs 1 lakh
- Potential to grow – 79% in Rs 5-25 lakhs range
- Credit to FPOs??
- CIIE study – only 5% accessed debts
- 2017-18, 320 FPOs financed, total disbursement ₹160 crores (NABKISAN 262 FPOs Rs 78.6 cr in 2020-21)
- Working capital, “ease of doing business”, “single window clearance” for FPOs...???

PAID UP SHARE CAPITAL



AUTHORISED SHARE CAPITAL 2016-21



Reimagining Producer Collectives: 15 case studies and compendium



Theme	FPOs	Locations
Enabling market access through collectives	Krushidhan	Vadnagar, Gujarat
	Jeevika	Khagariya, Bihar
	Bhangar	South 24 Parganas, WB
	Ram Rahim	Dewas, MP
Building inclusive institutions	Mahanadi	Kanker, CG
	Mahila Umang	Uttarakhand
	KBS Coop	Gumla, Jharkhand
	Hasnabad	Vikarabad, TG
Towards Innovation and Autonomy	Pandhana Pashu Palak	Khandwa, MP
	Kazhani	Erode, TN
	Navyug	Malihabad, UP
	Desi Seeds	Shimoga, Karnataka
Sustaining FPO Federations	Maha Farmers PC	Maharashtra
	Madhya Bharat FPCL	MP
	Gujpro consortium	Gujarat
	Diwak Mata	Pratapgarh, RJ
	Jana Jeevana	Anantapur, AP
	Chitravathi	Kolar, KA

Fields of Change

Managerial Insights on FPOs in India



Edited by Prof C Shambu Prasad and Deborah Dutta



Building resilient institutions



- Can FPOs grow and scale without investments or incubation (NDDDB type, like startups would need Rs 1 crore over 5-8 years)
- Strong local institutions are good public investments
- NAFED – MahaFPC Mahaonion (whither Gramin)
- Supportive state policies (Rajasthan, MP etc.) to build FPO assets, WB in horticulture (Bhangar FPO)



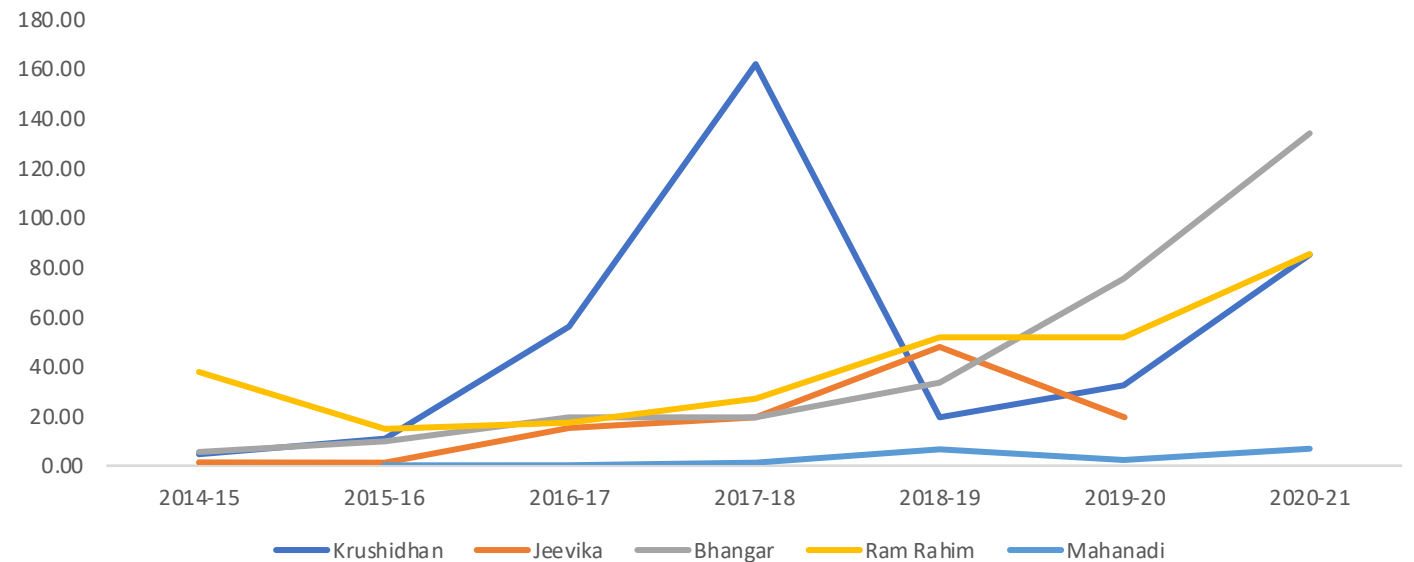
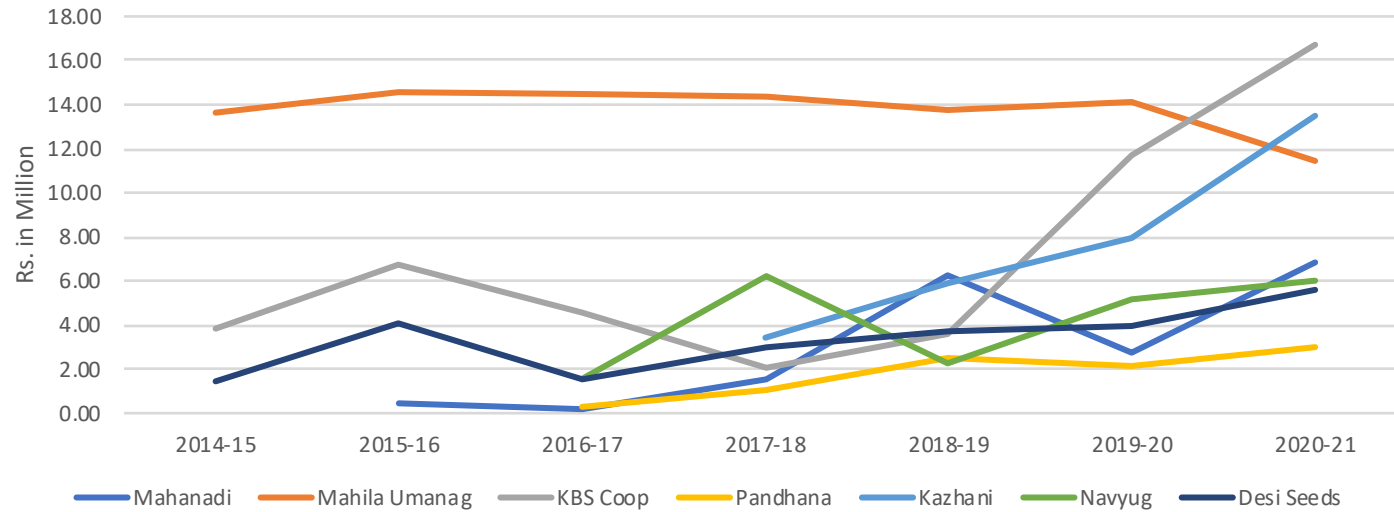
FPOs can grow but face challenges



1. FPOs more complex than SHGs - need time to experiment, innovate and build their business models
2. Built agency of small farmers - aided by support from the Government but beyond, farmer voices heard and negotiations with state and market
3. Governance and capacity building key... under invested
4. Few profitable from year 1, like startups they need investments, resilience to tide over a bad year
5. Danger of looking at FPO as a silver bullet
6. Withering of state capacity Government, sub-contracted policymaking to consultants
7. Democratic member-owned institutions cannot be built by decree through ODOP and targets..."first register and then think of business model"

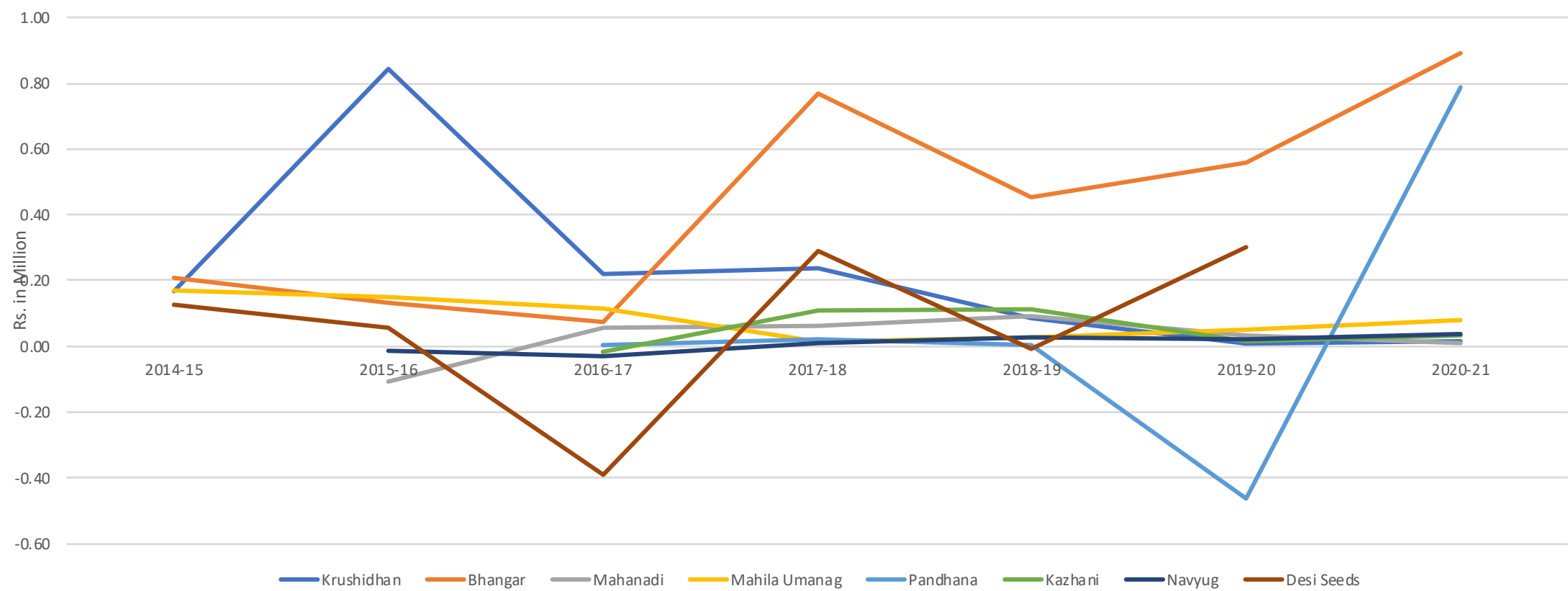
Fluctuating Fortunes of FPOs - 1

Revenue of FPOs < 2 crores



Fluctuating Fortunes of FPOs – 2....Profitable but

Profit/Loss of FPOs



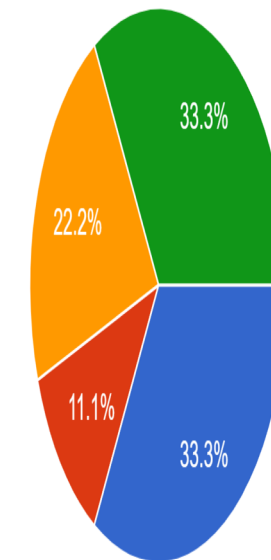
Environmental sustainability....



- FPOs important role in stabilising production too (not just markets) promotion of sustainable agriculture is the beginning, integration with market is key
- Creation of natural capital prereq for consolidating social capital (esply in hills and rainfed areas)
- Stability versus profits (Ram Rahim, Mahila Umang) greater consistency, slow but effective
- Village level institutions (SHGs, FIGs, Brundams) key for rooting sustainability
- FPOs promoted by CSOs more likely to include sustainability as a criteria
- Can be an important differentiator, exports too
- FPOs by themselves challenges to pursue ES and will need much stronger ecosystem support
- An imperative, not a hobby or fad anymore

2. How important is environmental sustainability in the design and operation of the FPO?

9 responses



- Marginal or non-existent
- FPO has taken up a few agricultural extension activities on sustainable agriculture
- FPO and its members are actively engaged in sustainable agriculture (have significantly reduced dependence on chemical and other inputs over time)
- FPO uses sustainability as a differentiator in markets

THANKYOU
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