



# **Studies on Status and Activities of Farmer Producer Organization of Uttara Kannada District, Karnataka, India**

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## **Authors' contributions**

*This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.*

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## ABSTRACT

The present study was carried out during 2023-24. The study was intended to explain the performance of Farmers Producer Organizations (FPO) and extent of facilities availed by its member farmers. Thus, a total of four actively functioning FPOs were selected and a semi structured questionnaire survey was conducted in four selected FPO's belonging to four different taluks of Uttar Kannada district. Data from the respondents were collected with the help of an interview schedule. The results revealed that, among selected FPO's highest farmers were registered under the Aghanashini FPO (1450) followed by Sarvajendra FPO (800), Raita kalyana FPO (600) and Madhumitra horticulture FPO (500). Raita Kalyana FPO had highest number of visiting famers (700) whereas Madhumitra Horticulture FPO had the highest participation of farmers in the extension activities. The most widely practiced land use system among all the FPO's was home garden system, especially in Aghanashini Spice Producer FPO (1400 farmers). In dairy farming Sarvajendra FPO has the highest participation of farmers (560). Raita Kalyana FPO stands out as the most active FPO, with highest farmer participation particularly in activities like fertilizer distribution and organizing workshops, which drives farmers more towards visiting farmer's producer organization.

**Keywords:** *Farmer producer organization; farmers; extension activities; dairy farming; beekeeping.*

## 1. INTRODUCTION

"The Indian agriculture sector provides livelihood support to about 42.3 per cent of the population and has a share of 18.2 per cent in the country's GDP at current prices. The sector has been buoyant, which is evident from the fact that it has registered an average annual growth rate of 4.18 per cent at constant prices over the last five years and per provisional estimates for 2023-24, the growth rate of the agriculture sector stood at 1.4 percent (Economic survey, 2023-2024). There are around thirty five farmer producer organizations in Uattar Kannada district" (Department of Horticulture-Govt of Karnataka).

"Farmer Producer Organization (FPO) is a type of Producer Organization (PO) where the members are farmers. Small Farmers' Agribusiness Consortium (SFAC) is providing support for promotion of FPOs. PO is a generic name for an organization of producers of any produce, e.g., agricultural, non-farm products, artisan products, etc" (Anon, 2015). SFAC is supporting these FPOs through empanelled Resource Institutions (RIs), which provide various inputs of training and capacity-building, and linking these bodies to input suppliers, technology providers and market players.

FPOs have been playing a major role in integrating both forward and backward linkages in the agricultural sector with the main objective of enhancing farmer's income and their livelihoods through reduced cultivation and transaction costs (Ramappa and Yashashwini, 2018). It is an organization of the producers, by

the producers and for the producers. One or more institutions and/or individuals may have promoted the PO by way of assisting in mobilization, registration, business planning and operations. However, ownership control is always with members and management is through the representatives of the members.

NABARD, SFAC, Government Departments, Corporates and Domestic & International aid agencies provide financial and/or technical support to the Producer Organization Promoting Institution (POPI) for promotion and hand-holding of the PO. Each agency has its own criteria for selecting the project/promoting institution to support.

"Collectivization of producers, especially small and marginal farmers, into producer organisations has emerged as one of the most effective pathways to address the many challenges of agriculture. Department of Agriculture and Cooperation, Ministry of Agriculture, Govt. of India has identified farmer producer organization registered under the special provisions of the Companies Act, 1956 as the most appropriate institutional form around which to mobilize farmers and build their capacity to collectively leverage their production and marketing strength as per the policy & process guidelines for farmer producer organizations" (Economic survey, 2023-2024).

"The main aim of PO is to ensure better income for the producers through an organization of their own. Small producers do not have the volume individually (both inputs and produce) to get the benefit of economies of scale.

Through aggregation, the primary producers can avail the benefit of economies of scale. They will also have better bargaining power vis-à-vis the bulk buyers of produce and bulk suppliers of inputs" (Anony, 2024). Investment in technology, production methods, marketing infrastructure, and reduction in post-harvest losses need to be scaled up. A greater focus on post-harvest infrastructure and the development of the food processing sector can reduce wastage/loss and increase the length of storage, ensuring better prices for the farmers.

Through FPO, farmers are collectivized, sharing their farming experiences with each other. Production cost has been lowered due to low cost inputs available in FPO where they can access easily. Encouraging establishment of

custom hiring centers by FPOs which offer machinery at affordable rates has improved the productivity and reduced the drudgery of farm labour. Hence, the present study was undertaken to understand the status of selected FPO's of Uttara Kannada, their activities and farmer's participation in FPO's.

## 2. MATERIALS AND METHODS

### 2.1 Study Area

A semi structured questionnaire survey was conducted in four selected FPO's out of 35 FPOs of Uttara Kannada. These FPOs were belonging to four taluks of Uttara Kannada district (Table 1). The FPO's were selected based on active participation of farmers and their functioning (Fig. 1).

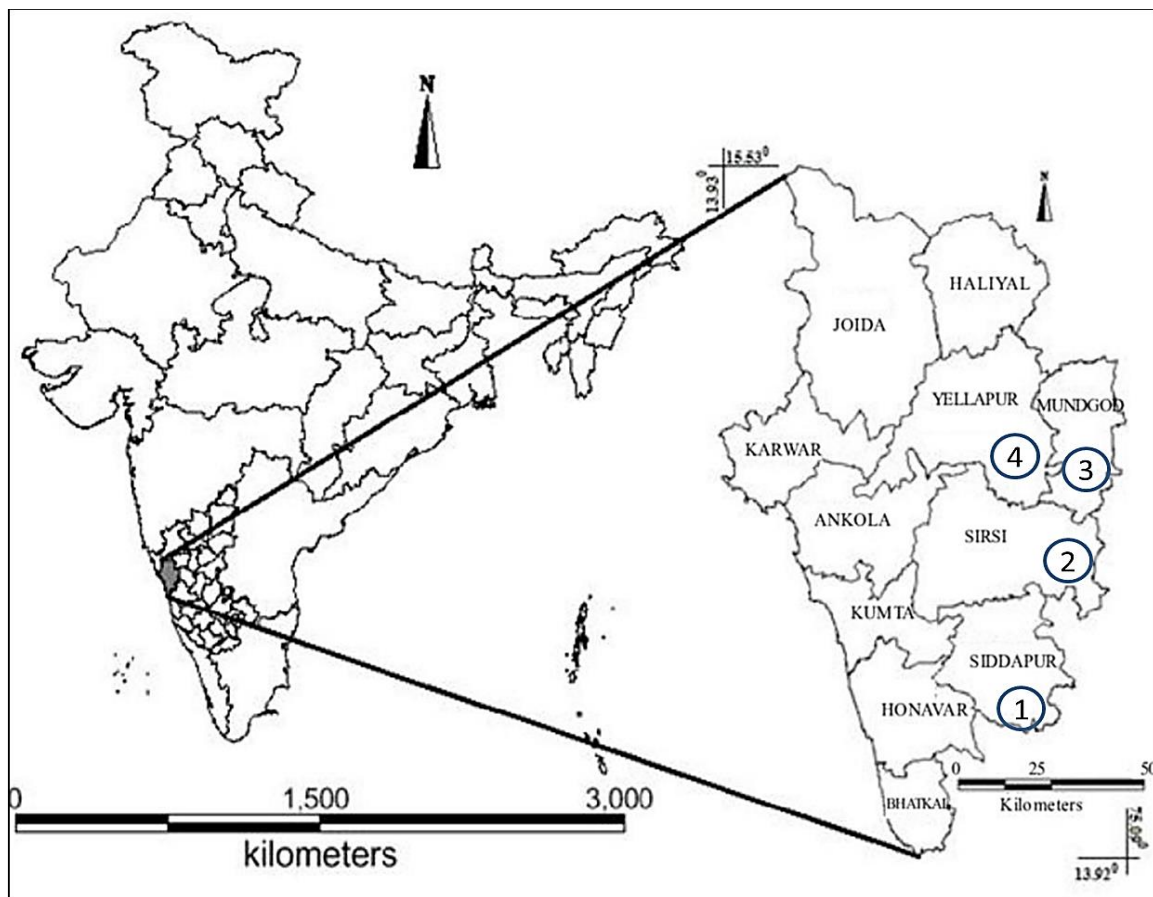


Fig. 1. Study area map

Table 1. List of selected FPOs of Uttara Kannada district

Sl. No	Name of the FPO	Taluk	Name of the village	Year of establishment
1	Aganashini FPO	Siddapura	Harsikatta	2016
2	Madhumitra FPO	Sirsi	Targod	2019
3	Raita kalyna FPO	Mundagod	Pala	2021
4	Sarvejnendra FPO	Yellapura	Ummachagi	2021

## 2.2 Methods

An Ex-post-facto research design was adopted for the study. Four FPO's were selected randomly from four different taluks of Uttar Kannada district. In this study an attempt was made to assess the profile of the selected FPO's and FPO members in order to have the information about the type of farmers participating in the FPO's. For this purpose, a semi structured questionnaire survey was conducted and selected profile characteristics were identified and data from the respondents were collected with the help of an interview schedule. The statistical techniques frequency, percentage and exclusive class interval method were followed for analyzing the data and accordingly respondents were classified into different groups.

## 3. RESULTS AND DISCUSSION

The comparison study of FPO members and their share holdings in selected FPO's of Uttara Kannada district indicates that, highest farmers were registered under the Aghanashini FPO (1450) followed by Sarvajendra FPO (800), Raita kalyana FPO (600) and least number of farmers were registered in Madhumitra horticulture FPO (500). The membership fees per farmer also varied from 250 to 1250 rupees. The Aghanashini spice producer FPO has the highest number of registered farmers, this may be due to early establishment of FPO and also due to increased awareness among the people of nearby villages about the functioning of the FPO's. The membership fees vary significantly across FPO's, with Aghanashini Spice Producer having the highest membership fee Rs 1,250 per farmer, while Raita Kalyana FPO charges only Rs 150. as membership fee (Table 2). This variation may influence the numbers of farmers registration, where higher fees might restrict smaller farmers but reflect the scale and range of services offered.

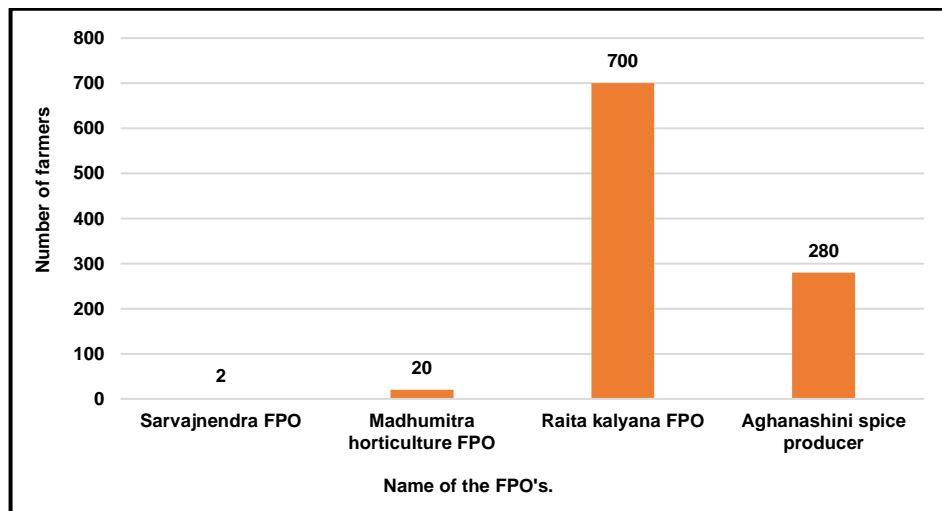
The participation of farmers in selected FPO's suggests that, Raita Kalyana FPO had the highest number of visiting famers (700) regularly (weekly) followed by farmers at Aghanashini spice producer (280), lowest farmers visit was recorded in Madhumitra horticulture FPO (20) and Sarvajendra FPO (2) (Fig. 2). The main reason behind the maximum and regular participation of farmers in Raita kalyana FPO may be due to conducting of regular extension activities like training farmers about the honey bees rearing, conducting workshops and many field visits. They also provided weekly training about medicinal plant cultivation and value addition of some wild edible fruits.

The lowest number of farmers visiting to Sarvajendra FPO could be due to lack of facilities for transportation system to reach the FPO and also they are majorly focusing on providing the labour services to the areca growers for different arecanut activities from the FPO rather than conducting extension activities. Madhumitra FPO is only focusing on honey production and its value addition etc. which attracts only apiculture interested farmers. This could be the reason for lowest number of farmer's visits to this FPO per week. Similar findings were reported by Ramappa and Yashshwini (2018) due to lack of education, village level dirty politics, caste-ridden elections, bureaucratic attitude of the lower rank government officials acted as hurdles in spreading the correct information about the cooperatives or collectives. Consequently, these issues led to the loss of interest among members and factional disputes. Dechamma et al. (2020) and Dharmaraj et al. (2022) reported that, earlier farmers used to visit nearby towns for purchasing inputs which requires almost one day time and cost of transportation of inputs also burden on them. Similarly Karadipatil et al. (2022) reported that Nisarga FPO was found to be the most effectively managed by its members among the five FPOs of North-Eastern part of Karnataka.

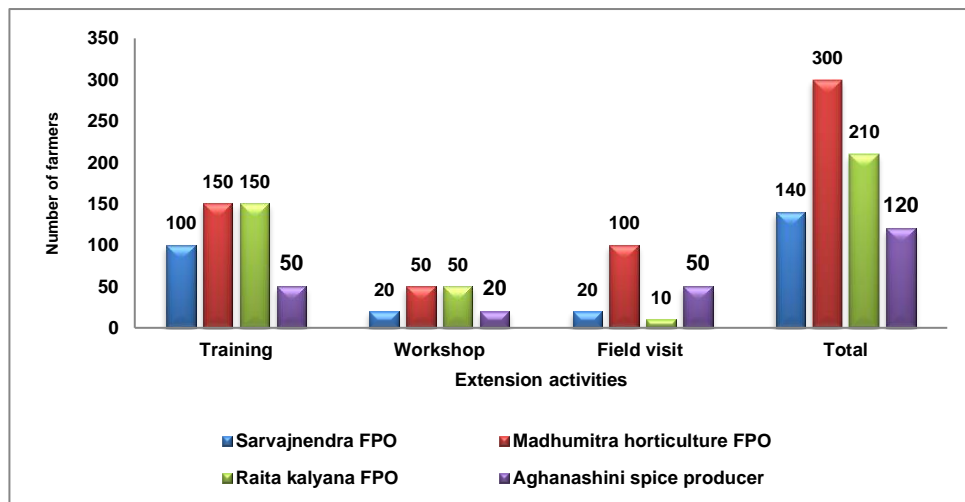
**Table 2. General information about the selected FPO's**

Sl. no	Name of the FPOs	No of Registered Farmers	Membership Fees	Min Shares per Farmers	Price per share (Rs.)	Total number of shares
1	Aghanashini spice producer	1450	1250	*	1000	2450
2	Madhumitra horticulture FPO	500	1000	*	100	500
3	Raita kalyana FPO	600	150	10	100	720
4	Sarvajendra FPO	800	250	10	100	1060

\*There is no fixed share for farmers to buy



**Fig. 2. Average number of farmers visit to the FPO per week regularly**



**Fig. 3. Number of farmers attended one extension activity carried out by the different FPO's per year**

The number of farmers attending extension activities organized by different Farmer Producer Organizations (FPOs) in a year was assessed. The results revealed that, Madhumitra Horticulture FPO had the highest participation of farmers in the extension activities. A total 300 farmers attended extension activities followed by Raita Kalyana FPO, where 210 farmers engaged in the extension programmes. Sarvajendra FPO and Aghanashini Spice Producer FPO had a lower number of farmer's participation with 140 and 120 farmers respectively (Fig. 3). The number of farmers attending extension activities reflects the effectiveness and outreach of the FPO's in disseminating agricultural knowledge and training. Madhumitra Horticulture FPO's strong participation can be attributed to its focus on specialized horticulture activities, including the

cultivation of medicinal plants and apiculture, which likely draws a larger crowd for knowledge transfer and skill development. Similar participation of farmers in the extension activities were reported by Dharmaraj et al. (2022). Training programmes were conducted with different perspectives, during initial stages of FPO formation trainings were conducted to acquaint the members regarding the concept and functioning of FPO's. Later stages the various other training programmes like improved cultivation practices, pest management, nutrient management, value addition and marketing related programmes were conducted by the FPO's to their registered members. Majority of the FPO's (66.64 %) conducting training programmes to farmers in that, around fifty per cent of the FPO's are engaged with extension

activities related to procurement, packaging system and market linkage activities. Venkattakumar (2019) reported that performance of the FPOs were fair towards all economic indicators such as farm mechanization, cropping intensity, productivity of commodities, profitability of farm produce and value addition linkage, input availability, assured market price and assured buyback. Pooja et al. (2022) reported that a little more than half (52.80%) of the FPO members had medium level of extension contact, followed by 30.40 per cent having low level and 16.80 per cent of them having high level of extension contact. thus he frequently contacts various departmental officials to seek more information and to clarify doubts pertaining to the latest and improved crop production practices.

The different land use system practiced by farmers is represented in the Fig. 4. The most widely practiced land use system among all the FPO's was home garden system, especially in Aghanashini Spice Producer FPO (1400 farmers) and Sarvajendra FPO (600 farmers) members were practicing homegarden system. Agroforestry and mixed farming were also seen common in Aghanashini and Raita Kalyana FPO's of Uttara Kannada district. Apiculture (beekeeping) was majorly practiced by the members of Madhumitra Horticulture FPO (500 farmers), reflecting its focus on honey production and medicinal plant cultivation. Farmers practicing Block plantation system was observed very less in Sarvajnanendra (40 farmers) and Aghanashini spice producer FPO (20 farmers). This shows that, registered farmers of various FPO's practicing different land use systems

meaning that includes the diversity of species. Similar findings were recorded by BIRTHAL et al. (2014) where they have highlighted that, members of the Farmers Producers Organizations seem to have contributed significantly to the diversification of high-value crops in South India.

Saha et al. (2023) also reported that, the negative effect of farm size on progressiveness may be attributed to the fact that, small farmers tend to be more innovative and flexible in their farming practices, These findings were also in line with Pereira et al. (2016), which found that small-scale beef farmers in Brazil were more likely to adopt progressive farming practices than large-scale farmers.

During the study observation were also taken on dairy practices to understand the farmer's interest in dairy unit under different FPOs. Sarvajendra FPO has the highest participation of farmers in dairy farming, with the involvement of 560 farmers. Aghanashini Spice Producer FPO ranked second, with 200 farmers practicing dairy. Very less number of farmers were practicing dairy in Madhumitra Horticulture FPO and Raita Kalyana FPO (Fig. 5). This reflects their focus on horticulture and spice production, respectively. Saha et al. (2023) reported that the majority of the respondents' fall under the low category of livestock population (72.00 %) followed by medium category of livestock population (25.00 %) and high category of livestock population (3.00 %) respectively. These results depict that FPO play a significant role in promoting the dairy activity. Similar findings were also reported by Puneet, (2016).

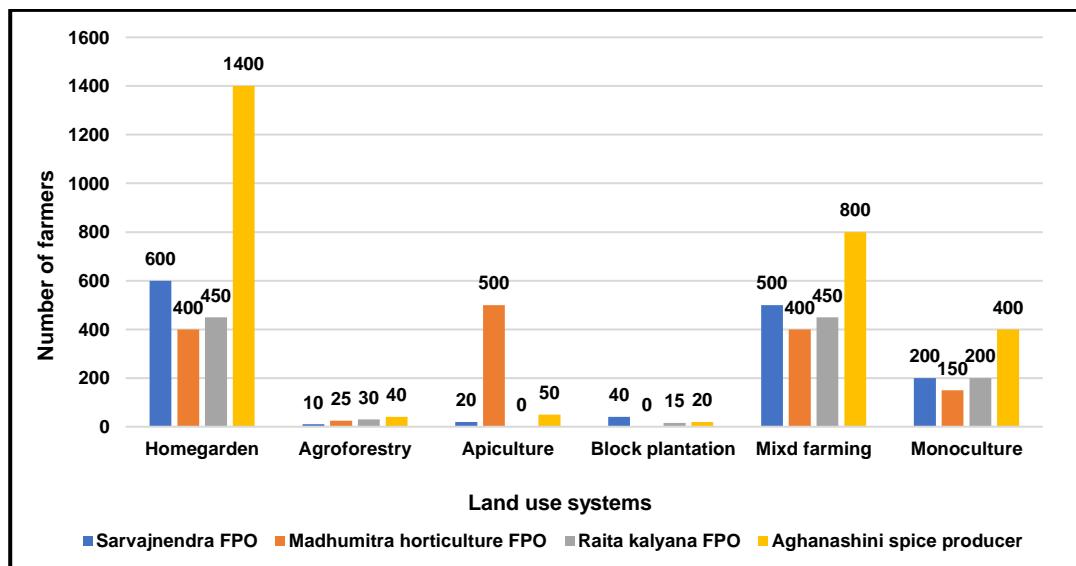


Fig. 4. Farmers practicing different land use system in study area



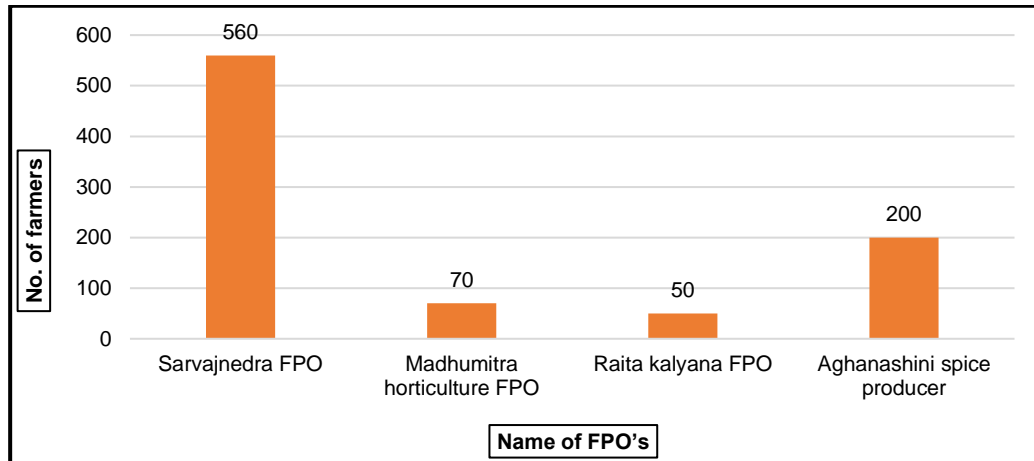
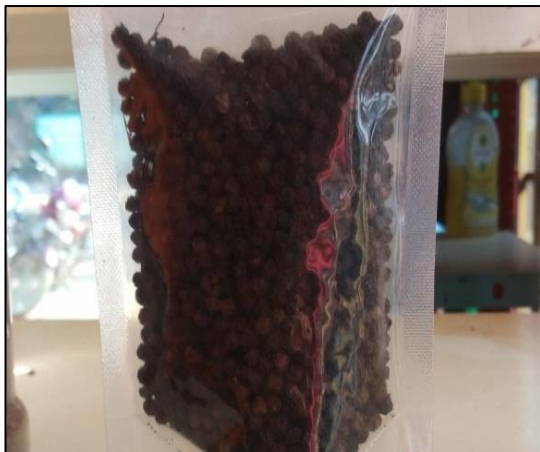


Fig. 5. Number of farmers practicing dairy under different FPO's



Black pepper

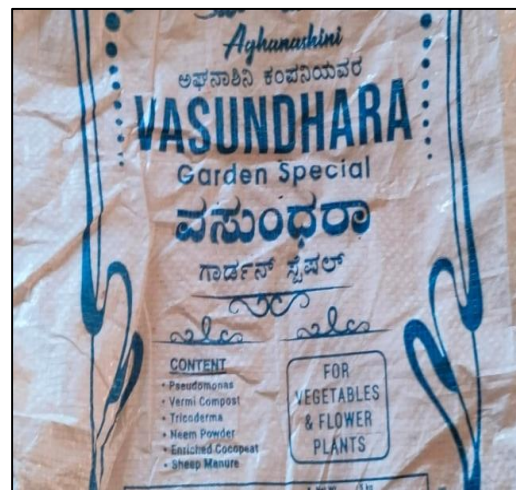


Jaggery

Plate 1. Value added products of Sarvajendra FPO



Black Pepper powder



Organic manure

Plate 2. Value added products of Aganashini FPO



**Kokum**



**Medicinal plant products**

**Plate 3. Value added products of Madhumitra FPO**



**Turmeric powder**



**Ginger Honey**

**Plate 4. Value added products of Raita Kalyana FPO**

The results of the study show the significant variations in farmer participation among the different FPO's based on their services and geographic location. Raita Kalyana FPO stands out as the most active FPO, with high farmer participation particularly in activities like fertilizer distribution and workshops, which drive more weekly visits of farmers. The high participation in dairy farming in Sarvajnanendra FPO highlights its emphasis on providing a diversified set of agricultural activities, which contributes to its popularity. On the other hand, Aghanashini Spice Producer FPO, despite having a lower number of weekly visitors, excels in attracting farmers to specific activities like mixed farming, agroforestry and apiculture. Farmers specialization, particularly in spice growing and organic farming, makes it an attractive choice for farmers interested in sustainable agricultural practices.

Madhumitra Horticulture FPO and Sarvajnendra FPO exhibit a more focused approach. Madhumitra FPO was predominantly involved in horticulture and apiculture, which draws fewer farmers for weekly visits, but those who participate were likely to be more specialized in the apiculture. Sarvajnendra FPO, being the most recently established, still in its initial growth phase with limited participation in both visits and services. Rai and Xavier (2023) reported that, horticulture industry is a sunrise sector and one of the major sources of income for the farmers in state as it plays a vital role in providing nutritional security for rural communities apart from being a consistent source of employment and livelihood opportunities. Since, it contributes more than 40 per cent of the total agricultural GDP of the state. It was logical on the part of the state to provide institutional intervention for the horticulture



producers to federate into an organization (FPO's), especially the smallholder farmers in the horticulture value chains.

#### 4. CONCLUSION

In the light of findings of the study, due to the establishment of FPOs the members (farmers) are getting the services such as input services, advisory services, custom hiring services at the doorstep at reasonable prices on the other side the extension work becomes easier due to union of farmers into organization. The type of land use systems practiced by farmers reflects the ecological and agricultural diversity of the region. The prominence of home gardens in Aghanashini Spice Producer FPO and Sarvajendra FPO illustrates the importance of small-scale, self-sufficient agricultural practices in these areas. Meanwhile, Raita Kalyana FPO's strength in dairy and mixed farming suggests a broader range of agricultural activities, providing farmers with more income diversification opportunities. The dairy sector shows high participation, especially in Sarvajendra FPO, where 560 farmers are engaged in dairy farming. This suggests that the FPO has successfully integrated livestock into its farming system, providing a diversified income stream for its members. Dairy farming also plays a crucial role in nutrient cycling on farms, contributing to soil fertility and crop yields. The major goal of FPO is to provide producers with a higher income by forming their own organization. Farmer Producer Companies (FPCs) allow members to access financial and other input services to compete with other companies and competitors in the market. Farmer Producer Organizations (FPOs) have a promising future in India's agriculture and rural economy. They can help improve the lives of farmers, increase food security, and promote sustainable agriculture. FPOs will contribute to strengthening the value chain and help in job creation for the members of its organisation. The major constraints of FPOs include lack of sufficient finance, no proper government price policy, lack of awareness of credit facilities, lack of connection with financial organizations and proper market information.

#### DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of this manuscript.

#### COMPETING INTERESTS

Authors have declared that they have no known competing financial interests or non-financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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