



**Seminar on
Farming Futures:
Growth and Management
Challenges of FPOs in India**

As part of the
**Dr. Verghese Kurien Centenary Celebration
(24-26 November 2021)
Institute of Rural Management Anand (IRMA)**

Recent government policies have positioned Farmer Producer Organisations (FPOs) as an important pillar for doubling farm incomes. These New Generation Cooperatives of the twenty-first century are seen as models of the future of farming as an enterprise. Building on the earlier spread of FPOs the Government of India seeks to promote 10,000 more FPOs in the next few years. FPOs that were but a speck in the collective enterprise landscape few years back are ubiquitous with several stakeholders – governmental, para statals, private sector, civil society organisations, farmer groups, incubators - all involved in the promotion of FPOs.

Building on its knowledge leadership on understanding producer collectives over the years, IRMA seeks to expand its insights on dairy cooperatives to these new generation collective enterprises. IRMA's work on FPOs have broadly been on research studies producing knowledge for action, nurturing farmer institutions and in co-creating knowledge on FPOs. As part of the Dr Verghese Kurien Centenary celebrations IRMA aims to have a seminar around a new book on contemporary challenges of producer companies.



At a vegetable packaging centre of an FPO

While there is an increasing number of landscape studies on FPOs in recent times there is little empirical evidence of the growth trajectories and managerial challenges of these nascent organisations. Existing academic literature tends to favour evaluations and meta-analysis ignoring the complexity of the institutional design of an FPO.

Addressing the knowledge-practice gap: Farming Futures for FPOs

Designing agricultural producer collectives that could operate as enterprises in increasingly globally integrated value chains amidst increased farm distress requires both understanding, and navigating, these complex organisations for establishing member-centricity, while being economically, and environmentally sustainable.



At an IFFCO outlet in Rajasthan

Acknowledging the diversity of context and complex issues governing the management of FPOs, an ambitious project was undertaken to develop over 20 case studies in collaboration with over 30 academics and development professionals to investigate the growth and management challenges faced by various FPOs.

Sustained participatory and collaborative research can create conducive institutional mechanisms that can motivate and build capacities of members for newer farming futures.

The knowledge, capacities, and ecosystems for diverse and vibrant collective enterprises in India is missing and we hope to initiate a rich and constructive discussion through a compendium of these case studies.

A broad rationale for selecting cases included the following:

- A predominant part of these 20 cover FPOs in rainfed areas and seek out to look at inclusion of small, marginal, women and tribal member owned or led FPOs
- The cases try to cover different agro-ecological zones and across states
- The criteria for selection of an FPO was that it should be between 3-7 years and not one that has been extensively written about

The FPOs covered in the study include Krushidhan (Gujarat); Hasnabad (Telangana); Navyug and Ansh Lagu (Uttar Pradesh); Diwak Mata (Rajasthan); Bhangar (West Bengal); Umang Mahila (Uttarakhand); Ram Rahim and Pandhana Pashu Palak, and Satpura (Madhya Pradesh); KBS Coop (Jharkhand), Kazhani (Karnataka), Mahanadi (Chhatisgarh); Aranyak and Jeevika (Bihar); Jana Jeevana (Andhra Pradesh); Chitravathi and Desi Seeds (Karnataka); and Sabujima (Odisha). Apart from these, three state level federations - Maha Farmers PC (Maharashtra), Gujpro consortium (Gujarat) and Madhya Bharat Consortium (Madhya Pradesh) have also been researched to understand the dynamics and challenges of the FPO ecosystem at the state level.

The case authors have been through three workshops starting from December 2020 to take up the case work through a common protocol that was developed after three cases. Despite the spread of the pandemic that severely impacted the field work the case leads have also been bringing out field level insights through a series of blogs on collective enterprises. At the Kurien centenary the book of cases “Farming Futures: Growth and Management Challenges of FPOs in India” and a compendium of blogs will be released.

Significance of the book project: Whose FPO is it anyway?

The recent push for developing FPOs through various policies and top-down approaches beg the question – Are farmers really benefitting from being part of an FPO? Have institutional arrangements enabled FPOs to become financially sustainable? The cases in the book invite a reader to reflect on some questions such as:



A discussion with farmers in Madhya Pradesh

- **What is the empirical basis for policy decisions on FPOs?** In a fast-changing scenario, key assumptions about optimal design, business models, profitability, member share and ownership have not been looked at critically and have been based on a few earlier pilots in a few states or CSOs. The last 4-5 years have seen a proliferation of FPOs across the country that require a deeper understanding beyond awards, celebrated success stories and opinion(ated) pieces on what works and does not for success of FPOs?
- **What is the envisioned role of civil society organisations in supporting FPOs?** Civil society organisations have largely pioneered the FPO movement across the country. The inclusion of newer players, including consulting firms, may lead to a flawed discourse because of their poor grassroot presence. This raises issues of the direction of the new FPO movement in relation to issues of small farmer access, role of women and sustainability issues (including those from rainfed areas), measures of performance and viability, as seen through the eyes of CSOs versus consultancy firms.
- **What kind of institutional innovations are needed to create a cohesive ecosystem to support FPOs?** Expectations from FPOs continue to be high and rarely matched with investments and other support. Working out what it takes for FPOs to be successful would require a collaborative and comparative approach that is rapid and can yield critical insights on civil action for agricultural policy.

At the seminar the cases would be discussed, and it is expected that the volume could be used in management courses as well as by development finance institutions like NABARD and in capacity building by many Cluster Based Business Organisations (CBBOs) and implementing agencies.

Stakeholders in the FPO ecosystem would be invited to share their insights. The deliberations of the seminar would be documented to present policymakers with actionable insights to strengthen farmer collectives.



A discussion with stakeholders at an FPO input Shop

This initiative is supported by The Living Farm Incomes project which seeks to further civic action for inclusive agricultural policies through research and policy dialogues on sustainability and equity. This research project led by IRMA collaborates with Civil Society Organisations and coalitions working on sustainable agriculture in India to co-create newer knowledge on agroecology and agricultural policy.

Prof. C. Shambu Prasad is coordinating this seminar and for more details do write to farmincomes@irma.ac.in marking a copy to kurien.centenary@irma.ac.in.