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Overcoming hurdles: Navigating the key challenges faced by FPO members in Tiruvallur district

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Abstract

Farmer Producer Organizations (FPOs) are instrumental in enhancing agricultural productivity and income through collective farming practices. However, they face several constraints that impede their effectiveness. This study aims to identify and rank these constraints experienced by FPO members in Tiruvallur district, Tamil Nadu. Employing an ex-post facto research design, data were collected from 120 FPO members using a structured interview schedule. The constraints were categorized into personal, infrastructural, economic, marketing, organizational, and technical dimensions and analyzed using Garrett's Ranking Technique. The findings reveal that personal constraints, such as lack of desire to attend meetings and insufficient time, are significant internal issues. Infrastructural constraints highlight the critical need for modern machinery and storage facilities. Economic constraints underscore the importance of improving credit awareness and funding sources. Marketing constraints reveal challenges in pricing and supply chain management. Organizational constraints indicate issues with labor distribution and management capacity, while technical constraints emphasize the need for timely inputs and better technical support. These insights provide a comprehensive understanding of the multifaceted challenges faced by FPOs, offering actionable recommendations for targeted interventions to improve their performance and sustainability.

Keywords: Farmer producer organization, constraints, Garrett's ranking and members of FPO

Introduction

A farmer producer organization is a group of ten or more farmers who decide to pursue agriculture and related businesses as a means of raising their members' income levels. It helps members pool their produce within the company so that it can be distributed under a single brand, strengthens their negotiating position in the market, cuts out or eliminates middlemen, and raises additional money for marketing, logistics, and the purchase of high-quality seeds. Their main challenges are those related to technology and operations, as well as administrative, financial, marketing, and governance issues. The mobilization and organization of farmers under FPOs can help to mitigate these issues to some extent. According to several studies (Mukherjee *et al.*, 2019b; 2020) ^[9], FPOs struggle with low working capital, cash flow problems, product quality issues, low product popularization, weak market connections, poor inventory management, high overhead costs, and a lack of expertise in creating workable business plans. Their primary challenges are related to technology, marketing, finance, governance,

and input supply. The objective was to identify and rank the constraints perceived by members of Farmer Producer Organizations (FPOs) in Tiruvallur district. This involved a detailed analysis of various challenges faced by the FPO members, with the aim of prioritizing these constraints to inform targeted interventions. By systematically evaluating and ranking these issues, the study seeks to provide actionable insights for enhancing FPO effectiveness and addressing key areas of concern.

Methodology

This study employed an ex-post facto research design and conducted in Tiruvallur district, Tamil Nadu during 2024, the research utilized a structured interview schedule to gather information from a sample of 120 participants. This approach strengthens the study by providing a systematic method for data collection and ensuring consistency across participants. Constraints, which act as bottlenecks hampering the identified FPOs' functioning, was measured across several dimensions: technical, marketing, financial,

governance, and input supply. The most significant issue was the lack of desire to attend meetings indicating internal motivation challenges. Insufficient time and lack of initiatives among members were also major hurdles, reflecting issues in time management and proactive engagement. Meanwhile, cooperation among members and family support were moderate concerns, and increased workload was the least significant constraint, suggesting that internal dynamics are more problematic than external pressures (Verma *et al.* 2020, Mukherjee *et al.*, 2019b) ^[10, 9]. Garrett's Ranking Techniques that converts the rank of constraints into numerical scores is applied. The following is Garrett's formula for converting ranks to percentages: Percent position = $100 \times (R_{ij} - 0.5) / N_j$, Where N_j is the number of constraints ranked by the j th

individual

R_{ij} is the rank provided for the i th constraint by the j th individual.

The table provided by Garrett and Woodworth (1969) ^[5] that used to convert each rank's percent position into a score. The scores of each respondent have been totaled and divided by the total number of respondents for each constraint. The average results for each constraint were sorted in a descending order. In the end, the constraints were arranged according to mean scores by as per Mukherjee *et al.*, (2012) ^[8]. The Fig 1 represents the various constraints faced by Farmer Producer Organizations (FPO) members. The constraints categorized into five domains: personal, institutional, economic, marketing, and organizational.

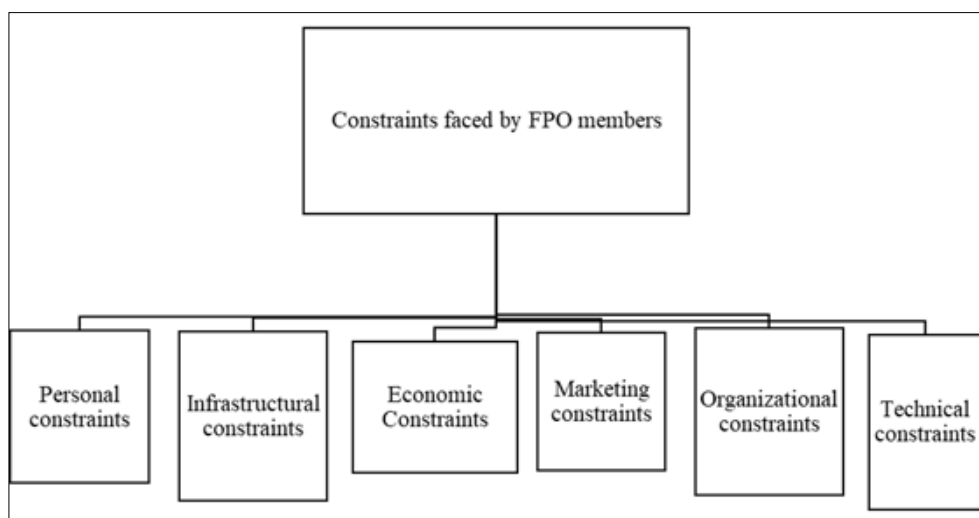


Fig 1: Constraints faced by FPO Members

Results and Discussion

Personal constraints

The table 1 illustrates that a study of the obstacles FPO members face, lack of desire to attend meetings is the biggest problem, ranking first followed by insufficient time and lack of initiatives among the FPO members. Lack of

cooperation among members and absence of family support are also significant concerns. Increased workload was regarded as the least significant constraint. According to this ranking, internal motivation and time management issues are more significant obstacles than workload pressures from the outside world.

Table 1: Personal constraints faced by the FPO members

S. No	Statements	Mean score	Rank
1.	Increased workload	2	VI
2.	Lack of co-operation among members	59	IV
3.	Absence of family support	50	V
4.	Lack of initiatives among the FPO members	61.95	III
5.	Insufficient time	63	II
6.	Lack of desire to attend meeting	69	I

Infrastructural constraints

The lack of modern machinery is the biggest problem, as seen by the ranking of constraints faced by farmers in Table 2. The lack of storage facilities comes in second rank and inadequate machinery maintenance was ranked third as another critical concern. The inadequate training facilities

are ranked fourth, despite being a significant issue. The lack of a modern processing infrastructure comes in fifth rank, making it the least crucial issue. These rankings demonstrate the importance of modern equipment and storage facilities were needed to increase agricultural efficiency and productivity.

Table 2: Infrastructural constraints faced by the FPO members

S. No	Statements	Mean score	Rank
1.	Inadequate training facility	33	IV
2.	Absence of advanced storage facilities	55	II
3.	Absence of modern processing infrastructure	7	V
4.	Inadequate machine maintenance	45	III
5.	Absence of modern machinery	67	I

Economic constraints

Based on a ranking from the table 3 that clearly depicts the financial constraints that farmers face, lack of understanding about credit availability comes in first place as the biggest problem. The second biggest issue, insufficient funding, comes in second. The third most important issue is the lack of crop insurance facilities. Ranking fourth is an inadequate accounting system, which is also noteworthy. The fifth-ranked major issue is the high interest anxiety imposed by financial institutions, which followed by the sixth-ranked issue of inadequate support from bank officials. According to Chopade S.L. *et al.*'s 2019 [2] findings, the majority of banks are ignorant of FPO. The seventh most urgent issue is the difficulty in obtaining external loans. These rankings emphasize how important it is to raise credit awareness and develop better funding sources in order to provide farmers with financial support.

Table 3: Economic constraints faced by the FPO members

S. No	Statements	Mean score	Rank
1.	Inadequate funding	61	II
2.	Not aware of the availability of credit	71	I
3.	Absence of facilities for crop insurance	54	III
4.	Problems obtaining external loans	11	VII
5.	Insufficient accounting system	46	IV
6.	Heavy financial institution interest burden	39	V
7.	Insufficient support from bank officials	29	VI

Marketing constraints

The table 4 depicts that the marketing constraints faced by FPO members highlight several critical issues. The most significant challenge is receiving lower prices for their produce, followed by the instability caused by annual price fluctuations. High transportation costs also pose a substantial burden, affecting overall profitability. The absence of up-to-date market data hampers informed

decision-making, while management gaps in the supply chain contribute to inefficiencies. According to Deka and Goswami (2020) [2], it points to a gap in supply chain management. Additionally, payment delays from buyers create financial stress for the farmers. These constraints collectively affect the FPO members' ability to market their produce effectively and maintain financial stability.

Table 4: Marketing constraints faced by the FPO members

S. No	Statement	Mean Score	Rank
1.	Absence of up-to-date market data	31	IV
2.	Payment delays	50	VI
3.	Management gaps in the supply chain	9	V
4.	High cost of transportation	58	III
5.	Cheaper produce price	69	I
6.	Price fluctuations occur annually	64.05	II

Organisational constraints

The table 5 denoted the organisational constraints faced by FPO members reveal several key challenges. The most pressing issue is the inequitable distribution of labour, which leads to inefficiencies and dissatisfaction among members. Additionally, inadequate financial standing hampers the ability to manage the company effectively, while insufficient management skills further exacerbate operational difficulties. The inability to integrate backward and forward linkages limits the FPO's potential for growth and value addition. Ineffective oversight contributes to a lack of accountability, and political influence within the organization can disrupt decision-making processes. Furthermore, having only a few executive members in charge leads to imbalances and potential misuse of authority. Lastly, the shortage of local-level personnel affects the FPO's ability to operate efficiently and respond to member needs.

Table 5: Organisational constraints faced by FPO members

S. No	Statement	Mean Score	Rank
1.	Inequitable distribution of labour	73	I
2.	Inability to integrate backward and forward	50	IV
3.	inadequate financial standing to manage the company	63	II
4.	Insufficient ability to manage	56	III
5.	Ineffective oversight	44	V
6.	Political influence	10	VIII
7.	Few executive members are in charge of everything	27	VII
8.	Insufficient personnel at the local level	37	VI

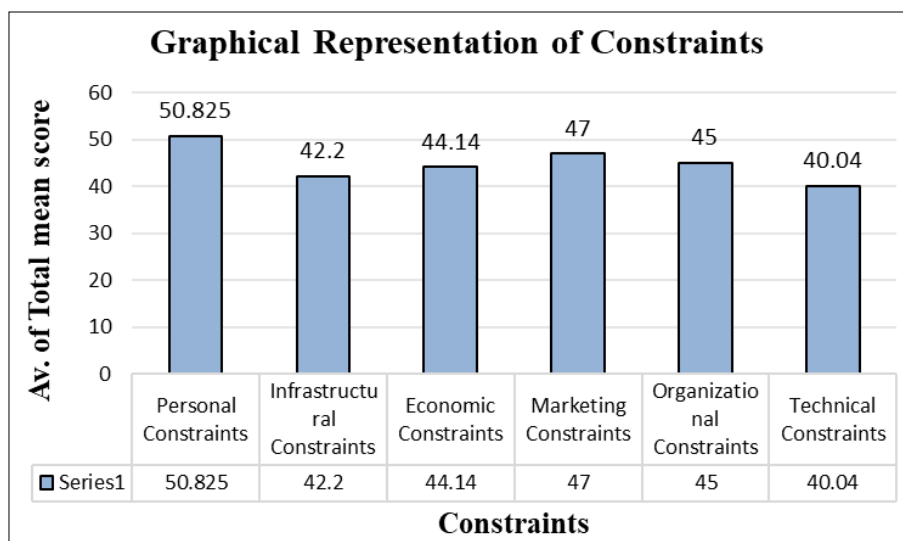
Technical constraints

The table 6 shows that technical constraints faced by FPO members highlight several significant issues. The most critical challenge is the absence of timely, affordable, and high-quality inputs, which directly affects the productivity and quality of their produce. Another major constraint is the ignorance of the significance of packing and grading,

coupled with insufficient technical assistance, which hinders their ability to meet market standards and demands. Additionally, the lack of computer literacy prevents members from leveraging available ICT tools, limiting their access to valuable information and resources that could enhance their operations.

Table 6: Technical Constraints faced by the FPO members

S. No	Statement	Mean Score	Rank
1.	Incorrect need identification	37	III
2.	Ignorance of the significance of packing and grading insufficient technical assistance	49.166	II
3.	Absence of timely, affordable, and high-quality inputs	63	I
4.	Lack of computer literacy, which prevents them from taking advantage of the ICT tools that are available.	11	IV

**Fig 2:** A graphic representation of the FPOs members' category-wise problems

The graph depicts the average scores for six constraint categories faced by Farmer Producer Organizations (FPOs) in Tiruvallur district, Tamil Nadu: personal, infrastructural, economic, marketing, organizational, and technical. Personal constraints rank first, highlighting the significant individual challenges faced by FPO members. Marketing constraints are in second place, emphasizing substantial barriers in effectively selling and promoting agricultural products. Organizational constraints hold the third rank, underscoring the importance of efficient management and collaboration within FPOs. Economic constraints, ranked fourth, reflect financial hurdles that hinder optimal FPO performance. Infrastructural constraints, in fifth place, point to issues with essential facilities and services required for FPO operations. Finally, technical constraints was ranked sixth, indicating that while present, they perceived as the least pressing. This ranking reveals the multifaceted challenges faced by FPOs, with personal, marketing, and organizational issues being particularly significant, thereby highlighting areas that need focused interventions to enhance the performance and sustainability of FPOs.

Suggestions to overcome the constraints

Scaling up and out of FPOs can be accomplished by considering the following strategies: It should be possible to strengthen the FPOs by providing them with the facilities that are required, expertise, and technical support for agribusiness and agriculture. It is important to use the suitable capacity building techniques to enable FPO members and office bearers to make timely and appropriate decisions. Increases are required for the supply chain, market infrastructure, and adequate market intelligence. A policy should create to designate FPOs as the grassroots organization responsible for delivering extension services to ordinary farmers, enabling them to expand their knowledge

of agriculture and agri-entrepreneurship.

Conclusion

The study reveals that Farmer Producer Organizations (FPOs) in Tiruvallur district, Tamil Nadu, face a range of constraints, with personal challenges ranking as the most significant, followed by marketing, organizational, economic, infrastructural, and technical issues. Personal constraints, such as lack of desire to attend meetings and insufficient time, are critical barriers. Marketing constraints, including low prices and high transportation costs, affect profitability, while organizational constraints like inequitable labour distribution and inadequate financial management hinder efficient operations. Economic constraints highlight the need for better credit awareness and financial support, and infrastructural issues point to the necessity for modern machinery and storage facilities. Technical constraints, though less pressing, still affect productivity due to a lack of timely and quality inputs and technical assistance. Addressing these multifaceted challenges through enhanced support, capacity building, improved infrastructure, and targeted policies will be crucial for the effective functioning and sustainability of FPOs, ultimately fostering agricultural growth and farmer empowerment.

Conflicts of interest

The authors have no conflicts of interest.

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