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To study the impact of farmer producer organisations on the well-being of farmers in Kanniyakumari district of Tamil Nadu

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Abstract

Farmer Producer Organisations (FPOs) have emerged as transformative institutions aimed at empowering small and marginal farmers in India. These member-managed, non-profit entities seek to improve agricultural productivity, enhance market access and increase farm income through collective action. This study, conducted in Kanniyakumari district of Tamil Nadu, explores the profile characteristics of farmers associated with FPOs, assesses the impact of FPO membership on farmer well-being and identifies key constraints faced by farmers. Data were collected from 120 respondents across three selected FPOs using proportionate random sampling and analyzed using correlation and regression techniques. Findings reveal that most respondents were middle-aged, primarily engaged in agriculture and possessed medium levels of income, education, media exposure and farming experience. The study confirms a moderate to high positive impact of FPOs on farmers income, savings, expenditure, social participation and employment. Statistically significant relationships were observed between the impact of FPOs and variables such as educational status, farming experience, market orientation and economic motivation. Regression analysis showed that these factors, along with extension agency contact, collectively explained a significant portion of the variance in impact. The results underscore the vital role of FPOs in enhancing rural livelihoods and call for continued policy and institutional support to strengthen their reach and effectiveness.

Keywords: Farmer Producer Organisations (FPOs), agricultural productivity, Kanniyakumari

1. Introduction

Farmer Producer Organisations (FPOs) represent a new approach to empowering smallholder farmers in India by organizing them into formal, member-managed groups. These non-profit entities aim to enhance farm productivity, improve access to markets and raise income levels through collective action. Members of FPOs regardless of their background benefit from training, technical support and decision-making roles within the organization. Registered under the Indian Companies Act and supported by government bodies like the Small Farmers Agribusiness Consortium (SFAC), FPOs serve as a platform to promote equitable and sustainable agricultural development.

The main goal of Farmer Producer Organizations (FPOs) is to empower small and marginal farmers by boosting their bargaining power and cutting down their dependence on middlemen. By pooling resources together, farmers can access affordable inputs and loans and they also benefit from direct marketing, which helps them avoid distress sales and price swings. FPOs provide essential post-harvest support, such as storage and processing, which enhances quality and lowers costs. Initiatives like 'One District One

Product' help with branding and market access. To foster the growth of FPOs, NABARD's PODF offers financial assistance, training and technical support, while NABKISAN provides customized credit options. However, many early-stage FPOs face challenges due to a lack of entrepreneurial skills, highlighting the importance of researching farmer behavior and developing targeted capacity-building strategies for sustainable growth in the long run. The objectives of the study was,

1. To study the profile characteristics among the farmers of Farmer Producer Organisations.
2. To assess the impact of Farmer Producer Organisations on the well-being of farmers.
3. To study the relationship between the profile characteristics among the farmers with the impact of FPOs on farmers.

2. Methodology

2.1 Selection of district

The Kanniyakumari district in Tamil Nadu was specifically chosen for this study because of its vibrant and effective Farmer Producer Organizations (FPOs). These groups play a

crucial role in supporting small and marginal farmers by enhancing their access to markets, supplying quality inputs and promoting sustainable farming practices. The district's rich agricultural landscape, which includes crops like coconut, rubber and various vegetables, greatly benefits from the efforts of these FPOs, leading to increased farmer income and a sense of community. Known for their strong management and positive results, these FPOs also foster modern farming techniques and value-added activities, making a significant contribution to rural development and improving livelihoods.

2.2 Selection of FPOs

Among 23 FPOs in Kanniyakumari, it was decided to select three best-performing FPOs in Kanniyakumari District for this study according to the experts and research committee members. Based on the Suggestions.

Name of the Farmer Producer Organisations

1. Kanniyakumari Rubber producer Organisation
2. Nesam Farmers Producer Organisation
3. Munchirai Block Coconut Cooperative Farmers Producer Organisation

2.3 Selection of Respondents

In order to know the impact of Farmer Producer Organisations (FPOs), farmers who had formally registered with the organisations at least three years ago were selected as the respondents. The total of 120 respondents were selected from the three FPOs using proportionate random sampling.

3. Results and Discussion

3.1 The profile characteristics among the farmers of Farmer Producer Organisations

Table 1: Distribution of the profile characteristics among the farmers of Farmer Producer Organisations. (n=120)

S. No	Category	Number	Percent
1. Age			
1	Young (33 to 49 years)	18	15.00
2	Middle (50 to 65 years)	56	46.67
3	Old (66 to 81 years)	46	38.33
2. Educational status			
1	Illiterates	7	5.83
2	Primary school education	17	14.17
3	Middle school education	27	22.50
4	High school education	24	20.00
5	Higher Secondary education	35	29.17
6	Collegiate education	10	8.33
3. Occupational Status			
1	Agriculture as the primary occupation	86	71.61
2	Agriculture as the secondary occupation	34	28.33
4. Annual Income			
1	Low (85-190)	48	40.00
2	Medium (191-295)	61	50.83
3	High (296-400)	11	9.17
5. Farm size			
1	Marginal farmers (less than 2.5 acres)	41	34.17
2	Small farmers (2.5 to 5.00 acres)	59	49.17
3	Big farmers (above 5.00 acres)	20	16.66
6. Farming Experience			
1	Low (6-19)	20	16.67
2	Medium (20-32)	65	54.17
3	High (33-45)	35	29.16
7. Extension Agency Contact			
1	Low	40	33.33
2	Medium	63	52.50
3	High	17	14.17
8. Mass Media Exposure			
1	Low	16	13.33
2	Medium	65	54.17
3	High	39	32.50
9. Innovativeness			
1	As soon it brought to my knowledge	35	29.17
2	After I have seen it adopted by other farmers successfully	60	50.00
3	I prefer to wait and take my own time	25	20.83
10. Information Sharing Behaviour			
1	Low	24	20.00
2	Medium	66	55.00
3	High	30	25.00
11. Market Orientation			
1	Low	30	25.00

2	Medium	66	55.00
3	High	24	20.00
12. Achievement Motivation			
1	Low	16	13.33
2	Medium	78	65.00
3	High	26	21.67
13. Economic Motivation			
1	Low	17	14.17
2	Medium	62	51.67
3	High	41	34.16

To know about the profile characteristics among the farmers of Farmer Producer Organisations data were collected and presented in the Table 1. An overview of the table indicated that Majority (46.67 per cent) of the respondents belonged to middle age group with 29.17 per cent of the respondents have completed upto higher secondary level education. Vast majority (71.67 per cent) of the respondents were found to have agriculture as primary occupation with 50.83 per cent of the respondents had medium level of annual income. Nearly half (49.17 per cent) of the respondents followed their land holding is from 2.5 to 5 acres. Majority (54.17 per cent) of the respondents had medium level of farming experience around 20 to 32 years. Nearly (52.50 per cent) of the respondents had medium level extension agency contact and 54.17 per cent of the respondents had medium level of mass media exposure. Majority (50.00 per cent) of the

respondents had medium level of innovativeness and 55.00 per cent of the respondents had medium level of information sharing behaviour. Majority (55.00 per cent) of the respondents had medium level of market orientation. Around (65.00 per cent) had medium level of achievement motivation and 51.67 per cent of the respondents had medium level of economic motivation. This findings derives support from the findings of Priyanka (2023) ^[7].

The impact of Farmer Producer Organisations on the well-being of farmers

The influence of Farmer Producer Organisations on farmers' well-being highlights how their involvement in FPO activities can lead to better economic, social, and livelihood conditions for them.

Table 2: Distribution of the impact of Farmer Producer Organisations on the well-being of farmers. (n=120)

S. No	Category	Before joining FPOs		After joining FPOs	
		Number	Per cent	Number	Per cent
1. Change in Annual Income					
1	Low	34	28.33	28	23.34
2	Medium	62	51.67	66	55.00
3	High	24	20.00	26	21.66
2. Change in Expenditure					
1	Low	36	30.00	40	33.33
2	Medium	63	52.50	41	34.17
3	High	21	17.50	39	32.50
3. Change in Annual Savings					
1	Low	50	41.67	13	10.83
2	Medium	59	49.67	70	58.33
3	High	11	9.16	37	30.83
4. Change in Social Participation					
1	Low	44	36.67	10	8.33
2	Medium	54	45.00	71	59.17
3	High	22	18.33	39	32.50
5. Change in employment generation					
1	Low	45	37.50	17	14.16
2	Medium	62	51.70	68	56.68
3	High	13	10.80	35	29.16

According to the impact experienced by the Farmer Producer Organisations on the farmers are presented in the Table 2. The impact of farmer Producer organisations was assessed on different parameters as perceived by the farmers viz., change in annual income, change in expenditure, change in annual savings, change in social participation and change in employment generation. After joining the FPOs, the annual income of the respondents increased significantly, with 51.67 per cent of the respondents falling under the medium category and 21.66 per cent of the respondents fall under the high category. The annual expenditure of the respondents also showed a significant

increase, with 52.50 per cent in the medium category and 32.50 per cent in the high category. A majority of the respondents reported an increase in annual savings, with 49.17 per cent reaching a medium level and 30.83 per cent achieving a high level of savings. About 59.17 per cent of the respondents experienced a medium level of improvement in social participation after joining the FPOs. Approximately 56.68 per cent of the farmers reported a medium level of impact on employment generation due to their involvement in the FPOs. This findings derives support from the findings of Mathangi Sumana Sri (2021) ^[5].

Relationship between the profile characteristics among the farmers with the impact of FPOs on farmers**Table 3:** Distribution of relationship between the profile characteristics among the farmers with the impact of FPOs on farmers.

Variable No.	Independent Variables	Correlation- coefficient 'r' value	Regression co-efficient	Standard error	't' value
X ₁	Age	0.048 NS	0.043	0.084	0.194 NS
X ₂	Educational status	0.267**	2.416	0.754	3.204**
X ₃	Occupational status	0.093 NS	0.126	1.067	1.214 NS
X ₄	Farm size	-0.098 NS	-0.175	1.152	1.092 NS
X ₅	Farming Experience	0.259**	0.945	0.399	2.468**
X ₆	Annual income	0.132 NS	0.108	0.11	0.646 NS
X ₇	Extension agency contact	0.191*	1.216	0.546	2.227*
X ₈	Mass media exposure	0.144 NS	0.137	0.027	1.367 NS
X ₉	Information sharing behaviour	0.186*	0.496	0.270	1.837*
X ₁₀	Achievement motivation	0.196*	1.146	0.710	1.674*
X ₁₁	Economic motivation	0.216*	0.716	0.356	2.011*
X ₁₂	Innovativeness	0.091 NS	-0.007	0.680	1.162 NS
X ₁₃	Market orientation	0.221*	0.316	0.162	1.950*

This section deals with the association and contribution between the selected characteristics of the respondents with their impact of FPOs on farmers. For studying the relationship between the profile characteristics and their dependent variables, the statistical tools namely zero-order correlation and multiple regression analysis were employed and the results are presented in Table 3. Out of 13 independent variables studied, only four variables, viz., educational status, farming experience, market orientation and economic motivation were found to have a positive and significant relationship with the impact of FPOs on the farmers at one percent level of probability. Extension agency contact, information sharing behaviour and achievement motivation were found to have a positive and significant relationship with the impact of FPOs on the farmers at five percent level of probability. The other variables were found to be non-significant. Results of multiple regression analysis indicated that all the independent variables together explained 56.70 per cent of the variations towards impact of Farmer Producer Organisations on farmers, only four variables, viz., educational status, farming experience, extension agency contact and economic motivation were found to be positive and significant contribution with impact of FPOs on the farmers at one percent level of probability. Information sharing behaviour, market orientation and achievement motivation were found to be positive and significant contribution with impact of FPOs on the farmers at five percent level of probability. The other variables were found to be non-significant.

4. Summary and conclusion

Farmer Producer Organisations (FPOs) have become a vital model in India, aimed at empowering small and marginal farmers. They do this by enhancing access to quality inputs, technical services, financial connections, market opportunities and collective decision-making. With support from organizations like SFAC and NABARD, FPOs operate as member-owned, non-profit entities that boost farmers' abilities in production, marketing and value addition. A study conducted among farmers from three FPOs in the Kanniyakumari district, Kanniyakumari Rubber Producer Organisation, Nesam Farmers Producer Organisation and Munchirai Block Coconut Cooperative Farmers Producer

Organisation revealed that most participants were middle-aged, primarily focused on agriculture and had moderate levels of farming experience, income, extension contact and exposure to mass media. Farmers showed a clear preference for practical, hands-on training in the field rather than traditional classroom sessions, favouring short-duration programs conducted on the farms of successful peers. The research showed that being part of a Farmer Producer Organization (FPO) positively impacted farmers' well-being, resulting in clear improvements in their income, savings, social engagement and job opportunities. The study also pointed out that several factors—like education, farming experience, market focus, economic drive, contact with extension services, sharing of information and motivation to achieve significantly influenced how farmers perceived these impacts. While FPOs brought about many benefits, farmers encountered various challenges, such as an increased workload from participating in FPO activities, constant price changes, a lack of labour during crucial times, insufficient storage and processing facilities and limited decision-making power within their organizations. In summary, the study underscores that FPOs greatly enhance the economic and social well-being of farmers in the Kanniyakumari district. However, it also stresses the importance of improving infrastructure, boosting organizational efficiency and stabilizing market support systems to fully realize the long-term benefits and sustainability of FPOs in the area.

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