

Farmer Producer Organizations (FPOs) and Their Role in ExtensionAbhishek Sonkar¹ Anurag Dixit² Abhishek Sonkar³**Introduction:**

Small and marginal farmers form the majority of the agricultural workforce in countries like India. However, they face multiple challenges: fragmented landholdings, weak bargaining power, limited access to technology, poor market linkages, and lack of extension support. To address these issues, **Farmer Producer Organizations (FPOs)** have emerged as an institutional innovation.

An FPO is a collective of farmers registered as a legal entity (Producer Company, Cooperative, or Society) to achieve economies of scale in production, input procurement, processing, and marketing. Beyond aggregation, FPOs have proven to be an effective platform for delivering **agricultural extension services**, ensuring that farmers not only produce more but also earn more.

What is an FPO?

⇒ **Definition:** A Farmer Producer Organization is a group of primary producers (farmers, dairy owners, fishers, etc.) who come together to improve their collective strength and

market position.

⇒ **Legal forms in India:** Producer Companies under Companies Act 2013, Cooperatives, or Federations of SHGs.

⇒ **Support agencies:** Small Farmers' Agribusiness Consortium (SFAC), NABARD, NABSanrakshan, State Governments, and NGOs.

Why FPOs are Important for Farmers

1. **Economies of scale:** Aggregated demand for seeds, fertilisers, machinery, and credit reduces costs.

2. **Stronger market access:** Collective marketing ensures better prices and reduced exploitation by middlemen.

3. **Access to credit and insurance:** Banks and financial institutions prefer to lend to FPOs due to collective accountability.

4. **Risk sharing:** Risks of production and marketing are distributed among members.

5. **Platform for innovation:** FPOs act as incubators for new technologies, crop diversification, and value addition.

Abhishek Sonkar¹ Anurag Dixit² Abhishek Sonkar³¹Research Scholar Monad University, Hapur U.P. - 245304^{2&3}Research Scholar ANDUA&T, Kumarganj, Ayodhya, U.P.- 224229

Role of FPOs in Extension Services

FPOs serve as a bridge between research institutions, extension agencies, and farmers. Their role in extension can be seen across several dimensions:

1. Technology Dissemination

- ☛ FPOs organize demonstrations of improved seeds, integrated pest management (IPM), and climate-smart practices.
- ☛ Serve as channels for Krishi Vigyan Kendras (KVKs), agricultural universities, and government departments to reach farmers.

2. Capacity Building and Training

- ☛ Conduct farmer training programs, field schools, and exposure visits.
- ☛ Strengthen farmers' managerial skills in marketing, processing, and entrepreneurship.

3. Input Supply and Custom Hiring

- ☛ Provide members with quality seeds, fertilisers, and organic inputs at fair prices.
- ☛ Manage custom hiring centres with tractors, threshers, and irrigation pumps, making mechanization accessible to smallholders.

4. Market Linkages

- ☛ Extension is not just about production but also about marketing.

- ☛ FPOs link farmers directly with wholesalers, retailers, exporters, and online platforms.

5. Financial Literacy and Credit Access

- ☛ Train farmers in record-keeping, budgeting, crop insurance, and loan management.
- ☛ Negotiate with banks for group loans and insurance schemes.

6. Digital and ICT-based Extension

- ☛ Many FPOs use WhatsApp groups, mobile apps, and call centres for advisories.
- ☛ Data collected by FPOs helps in tailoring extension messages to local needs.

Case Studies

1. Amul Dairy Cooperatives (Gujarat)

Though older than the FPO framework, Amul shows how producer collectives can combine production, extension, and marketing, transforming women dairy farmers into entrepreneurs.

2. MAHAFPO (Maharashtra)

A federation of FPOs that provides extension services, market linkages, and training to horticulture farmers.

3. NABARD-Supported FPOs

Across states like Rajasthan and Madhya Pradesh, NABARD-promoted FPOs are helping farmers adopt organic farming,

drip irrigation, and improved seed systems.

Benefits of Extension through FPOs

- ⇒ **Farmer-centered:** Advice comes from within the group, ensuring trust and relevance.
- ⇒ **Cost-effective:** Extension reaches a cluster of farmers rather than individuals.
- ⇒ **Inclusive:** Women, youth, and marginal farmers are empowered through collective participation.
- ⇒ **Sustainability:** FPOs generate revenue through member contributions, input sales, or service charges, making extension financially viable.

Challenges Faced by FPOs in Extension

- ☞ Limited managerial and leadership capacity.
- ☞ Dependence on external funding for initial years.
- ☞ Weak linkages with markets and buyers in some regions.
- ☞ Lack of skilled staff for technical extension.
- ☞ Policy and regulatory hurdles (e.g., compliance, registration, taxation).

Strategies to Strengthen FPO-based Extension

1. **Capacity Building of FPO Leaders** – Training in governance, financial management, and extension methods.

2. Public-Private Partnerships

– Collaborations with agribusiness firms, NGOs, and research institutions.

3. Digital Tools

– Mobile apps, MIS platforms, and e-marketing integrated with FPO activities.

4. Policy Support

– Simplified regulations, financial incentives, and tax benefits for FPOs.

5. Gender Inclusion

– Ensure women farmers have equal representation and benefit-sharing.

6. Federation of FPOs

– Link small FPOs into federations for stronger bargaining power and resource mobilization.

Conclusion

Farmer Producer Organizations are more than just economic collectives — they are **agents of knowledge, empowerment, and innovation**. When integrated with extension services, FPOs enable farmers to adopt modern technologies, access inputs and markets, and improve livelihoods.

In the coming years, FPOs can emerge as **the backbone of decentralized extension systems**, ensuring that every farmer — irrespective of land size — has access to timely, reliable, and practical advisory support. Strengthening FPOs, therefore, is not only about improving farm incomes but also about

creating sustainable, inclusive rural development.

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