



Research Article

SUCCESS SAGA OF MILLET FARMER PRODUCER ORGANIZATION-FARMGATE PROCESSING TO MARKETING

SANGAPPA^{1*}, RAFI D.², BELLAGI R.², KAILASHNATH², ABBUSEAT², AND LAXMI B.³

¹Scientist (Agricultural Extension), ICAR-Indian Institute of Millets Research, Rajendranagar, Hyderabad, 500030, Telangana, India

²ICAR-Indian Institute of Millets Research, Rajendranagar, Hyderabad, 500030, Telangana, India

³College of Forestry, Ponnampet, 571216, Keladi Shivappa Nayaka University of Agricultural & Horticultural Sciences, Shivamogga, 577412, Karnataka, India

*Corresponding Author: Email - sangappa@millets.res.in

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Abstract: Farmer Producer Organisations are based on the idea that small marginal and landless farmers, who produce agricultural goods, can organize into groups and register as companies/co-operative act. Enhancing farmer income, capacity development, entrepreneurial intent, economies of scale, developing market linkages are the goals of FPO. ICAR-IIMR formed 41 FPOs in four states. In Aland Taluka of Gulbarga, a case study was carried up to assess the function of Aland Bhootai Millets FPCL. Aland Bhootai Millets FPCL was carried out to know the birth and organizational structure of the FPO, different valued added products produced by women shareholders, various FPO activities, and also the impact of 97th episode of Man ki Baat by Honourable Prime Minister Shri Narendra Modi on business activities. Aland FPO started marketing its products through e-Commerce platforms and local markets. Most of the farmers are being benefited by purchasing chemicals and fertilizers comparatively at a lower price and selling their produce to FPO procurement centres with better prices eliminating middlemen.

Keywords: FPOs, Millets Value addition, Marketing, Man ki Baat, e-commerce

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Introduction

To address the issues faced by small and marginal farmers, particularly those related to improved access to investments, technological advancements, efficient inputs, and markets, the Indian government has been promoting a new type of collective called Farmer Producer Organisations (FPOs). Alagh committee report GOI (2000) [1] reported that Collectives of producers are now widely acknowledged as one of the best strategies for lowering agricultural risk and enhancing small-scale and marginal producers' access to capital, technology, and markets. There are thousands of Farmer Producer Organisations (FPOs) around the nation that are registered under numerous statutes, including cooperative legislation, trusts, federations, and most recently producer companies under the Companies Act [2].

The Small Farmer Agribusiness Consortium (SFAC)'s main goals are to boost the productivity of small and marginal farmers, add value, and create effective connections between producers and markets. In order to fulfil this purpose, SFAC has launched a programme with the Department of Agriculture and Cooperation's (DAC) backing to establish farmer producer organisations around the nation. In collaboration with NABARD Consultancy Services, SFAC is supporting the process by providing rigorous training for RIs, creating toolkits and other publications, and keeping track of the institution-building process [3]. Farmers Producer Organisations are groups of rural producers who band together to form organisations, pursue specific shared interests of their members, develop economic and technical activities that benefit their members, and uphold relationships with partners operating in their institutional and economic environment. Farmers Organisations (FOs) are crucial organisations for the advancement of farmers and the rural poor, as well as for empowering them and reducing their levels of poverty (MOAFW-GOI, 2013). After the Indian firms Act (1956) was modified as needed to introduce section 9A in the year 2003, farmer producer firms in India became a legal entity. Farmers' producer cooperatives can be compared to a cross between cooperative societies and private businesses [4].

The producer-company concept aims to merge the effectiveness of a business with the cooperative spirit of older cooperatives [5]. One of the choices accessible to producers to organise themselves to advance in the supply chain through value addition and company ownership is the cooperative concept. However, there are a number of deficiencies in the country's cooperative system [6]. The supply channels that connect the Indian farmer to the Indian consumer have all changed throughout time. FPO's main activities include market connections, training and networking, the provision of inputs including seed, fertilizer, and machinery, as well as financial and technical guidance [7].

To make the FPO concept more widely known, it is necessary to coordinate the efforts of all the stakeholders, including the state and federal governments, authorities, bankers, financial institutions, private sector organisations, civil society groups, elected members, and others. The FPO members were more pleased with the financial benefits they received from the FPO than they are with the psychological, social, and technical benefits [8]. Limited infrastructure facilities, which represented 77.00 percent of the respondents' major constraints, were followed by significant price volatility, which represented 67.00 percent. And to address this, the majority of responders (82.00%) advised that the storage facility should be upgraded.

After joining Madhya Pradesh Women Poultry Producers Company Pvt. Ltd. (MPWPCL), women's human, social, and political dimensions of empowerment grew in addition to the company's significant economic gains [9]. MPWPCL is fundamentally a women-governed and -owned micro-enterprise with the cooperative principle as a base and a very strong market outlook. The results show that education, farming experience, farming as a primary occupation, size of landholding, access to Internet, proximity to nearest market, medium level of social participation, extension contact, transportation facility, and intention to increase scale of operation in future are the most significant factors that significantly influence the likelihood of farmers joining FPOs [10].

The findings revealed a positive and highly significant relationship between the performance of FPO and seventeen independent variables, including education, annual income, extension contact, mass media exposure, innovativeness, training received, economic orientation, scientific orientation, market orientation, achievement motivation, social participation, risk orientation, cosmopolitanism, and credit orientation [11].

Farmer producer organizations work successfully when group dynamics including member attitudes toward the group, social connections with others, competition, assimilation, etc. are in place. For producers to join a farmer producer organization (FPO), they must be aware of the group's benefits [12].

FPO enables small and marginal farmers and other small producers to collaborate and create a professionally run business enterprise (COMCEC, 2015). FPO may support farmers both in the process of growing various agricultural products and in the marketing of those items. Small farmers are given the opportunity to participate in the market more successfully through farmer organisations. As a result, they are better able to compete with larger farmers and agribusinesses by reducing the transaction costs associated with accessing inputs and outputs, gathering the necessary market information, gaining access to new technologies, and tapping into high-value markets. In this regard, a case study was carried out to evaluate the contribution of farmer-producer organizations to raising farmer income. The producer-company structure eliminates the need for middlemen between market participants. As shareholders in the producer firm, the farmers are able to take advantage of gains that would otherwise be paid to middleman companies like wholesalers. Additionally, small-holders are able to receive market data regarding necessary requirements and pricing through the collective market appearance and use this data into their production planning and processes. Programmes to modernise farmers' producing techniques are also being implemented by producer firms. Specifically, production planning, production organisation, and knowledge.

Coming to millet production Northern part of Karnataka is the potential zone for growing millets mainly sorghum, bajra, and minor millets. Millets are referred to as "Harbingers of Ever Green Revolution" and intelligent crops. Millets have the ability to solve a number of global concerns, including climate change, food security, and rural livelihoods. They are nutrient-dense, drought-resistant, ecologically friendly, and have substantial economic advantages. Although millet agriculture has been trending towards higher yield, the shrinking area dedicated to millets is a serious issue that has to be addressed. Millet production may be encouraged, processing businesses can be formed in millet clusters, farmer producer organisations (FPOs), and Krishi Vigyan Kendras (KVKs) can all assist to stimulate demand and guarantee a steady supply of millets. The International Year of Millets 2023 (IYOM 2023) presents a chance to step up interventions to increase millet production and area, as well as to diversify processing equipment and technologies to meet the needs of diverse local and international market sectors. With the support of ICAR- IIMR (Indian Institute of Millet Research) Millet's value chain model is being adopted to produce and process the millets products by Aland Bhootai Millets FPCL [13,14]. Aland Bhootai FPCL is following the guideline ICAR-IIMR and even got a state of appreciation from the Honourable Prime Minister Shri Narendra Modi.

Birth of Aland FPCL

Aland Bhootai Millets Farmers Producer Company Limited was started in 12/05/2021 in Tadkal village of Aland block in Gulbarga district with technical guidance of ICAR- Indian Institute of Millets Research, Hyderabad and financial support by Small Farmers' Agri-Business Consortium (SFAC).

The FPCL have mobilized 641 farmers with the goals of improving farmer capacity through the use of agricultural best practises for increased productivity, ensuring access to quality inputs and services for intensive agriculture, enhancing cluster competitiveness, facilitating access to fair and lucrative markets, and connecting producer groups to direct markets.

Area coverage of Aland Bhootai Millets FPCL-Aland taluka

FPO Profile

SN	Particulars	
1	Date of registration	12-05-2021
2	Number of shareholders (farmers)	641
3	Share amount collected	6,41,0000/-
4	BOD members	10
5	Promoting organisation	ICAR-IIMR
6	Channels of marketing	Local market, Distributors, Processors e-NAM, APEDA, ONDC, GEM, Mystore
7	No. of Villages covered	10
8	Source of finance	SFAC
9	Turnover	24,00,000/-
10	Profit	6,13,000/-
11	Licenses Obtained	FPO has five licenses a. FSSAI b. Trade c. Seed d. Fertilizer e. Pesticide

Organizational Structure of the FPO

Aland Bhootai Millets FPCL deals in three levels with the farmers in making up of groups at village, panchayat, and cluster levels. Based on the need and interest of shareholders several small farmer interest groups (FIGs) were created at the village level. A volunteer group president or secretary was appointed for each FIG, and he is responsible in mobilizing farmers, organizing awareness programs and procurement of agriculture produces.

At second level, an educated and enthusiastic person from the FPO shareholders was elected as manager and he acted as incharge of carrying out the production and marketing aspects of FPO. Monitoring all of FPC's activities is the responsibility of the company's single CEO and Accountant. For various tasks within FPC, qualified personnel, field personnel, and workers are paid and hired from outside at third level. The demands and needs of the various groups are considered during the FPC's monthly directors' meetings, and suitable steps are then made to fulfill these on a feasible and priority basis. Aland FPC used social media and cell phones for marketing and fieldwork, which reduced the requirement for people to advertise the product. FPC has a WhatsApp group, a social network, and a website, so all product orders, requests, vital information transmissions, etc., take place through these platforms.

ICAR-IIMR model of FPCL

Through ICAR-IIMR Millets model connected the FPOs to a number of stakeholders, including farm input centres, loan and credit systems, custom hiring centres (CHC), millets aggregation, storage, and value addition, as well as connecting the FPO to a better market that is accessible and offers a better price for the produce. Millet model made it easy to arrange input licences like seed, fertiliser, pesticides, and machinery while concentrating on output business for the long-term viability of FPOs. With stronger market connections between the members of FPOs, the food industry, and other organisations, IIMR has been active in enabling advisory roles, supplying inputs like seeds, aggregation of production, processing of produce, storage, and distribution of produce.

Strategic Interventions of Aland Bhootai Millets FPCL

Aland Bhootai FPCL started with three important interventions to gain credibility and generate income.

The FPO has set up a millet processing facility. It has developed its own brand "Aland's Arogya Siri" to market the processed products of the FPO.

An input shop was established to provide high-quality seeds, fertilizer, and other inputs to farmers at affordable prices.

Output activities such as procurement and marketing of value-added produce

The FPO established a Common Service Centre to enable farmers in accessing online services

The FPO has started delivering its commodities through e-Markets such as ONDC My store and GeM portals.



Fig-1 Participation in Millet conclave-2022, Raichur



Fig-2 Free Millet seed distribution



Fig-3 Aland FPO Millet Primary Processing Unit at Tadkal



Fig-4 Exhibition in Global Shree Anna Conference-2023



Fig-5 Training women shareholders on Millets Value addition



Fig-6 Foxtail millet Cookies

Fig-7 Finger millet Cookies



Fig-8 Foxtail millet rice

Fig-9 Foxtail millet flour



Fig-10 Foxtail millet rava

Fig-11 Little millet rice



Fig-12 Foxtail millet Khakra

Fig-13 Foxtail millet Laddu

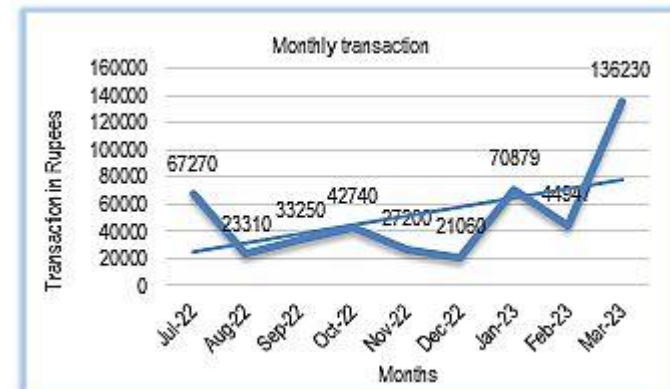


Fig-14 Monthly business transaction of Aland Millets FPCL



Fig-15 Honourable Prime Minister Shri Narendra Modi Appreciating Aland Bhootal Millet FPO in 97th Man ki baat Episode

FPO Activities

Aland FPO has diversified business activities and value-added products of millets as shown in [Fig-6 to 13] Aland FPO was appreciated by Honourable Prime Minister Shri Narendra Modi for their efforts in the promotion of millets during IYM-2023. PM appreciated Aland FPO on the 97th episode of Mann ki Baat Radio program on 29th January 2023. Since then, the business transaction of the FPO has raised drastically from rupees 44,947/- to 1,36,230/- within a span of a month. All the products are in high demand and marketed through GeM and ONDC portals.

Impact of 97th Man ki Baat Program by Honorable PM on Aland FPO Business.

It was clearly observed that there was a drastic increase in the number of shareholders being registered with the FPO, identity of the FPO has reached to remote villages of the nation leading to the drastic increase in the sale of Millet Khakra and Laddus. From [Fig-15], It can be observed that increasing trend of the business growth.

Success Mantra of Aland FPO

Focus on resolving both short-term and long-term challenges of farmers;

The FPO has also received support from Krishi Vigyan Kendra, Kalaburgi.

The FPO introduced millet as a new crop to the farmers by providing information about the benefits of millets in terms of nutritional value and marketing aspects. Training on "Cooking with Millets", was also provided to SHG women.

Participate and promote millet value-added products in all Mela's, Conferences and Conclaves.

The FPO has been able to mobilize finance from credit guarantee schemes of FPOs.

Capacity-building initiatives of FPO including demonstration of crop cultivation techniques and good agricultural practices have led to an increase in the average crop productivity of millets by 30-50%

The FPO has generated revenue of Rs. 12 lakhs during the first year since its inception.

Lessons learned

An in-depth feasibility study has helped the FPO in the identification of common challenges and opportunities for farmers in the area;

Farmer mobilization, awareness generation drives, visits and training initiatives have helped in establishing trust amongst the farmers;

Provision of multiple products and services (agri inputs, market linkages, processing facilities, training, online services etc.) has helped in achieving member and non-member participation in FPO's business activities;

Creating FPO's own brand for processed products and direct market linkages for raw commodities has helped in improving farmer's price realization; and

Direct sale to large buyers has helped in minimizing farmers' dependence on middlemen.

Future Plan

Aland FPCL's mission is to create awareness about millets and provide wider

access to millets and millet value-added products. The Aland FPO is planning to open millet stores and millet restaurants, on approaching many corporates to cater prepared food and products and creating distinct value-added products.

Conclusion

Small and marginal populations' socioeconomic conditions can only be improved by collective action strategies and the commercialization of their agricultural endeavours. In order to create their own economic company that will be run by experts and owned by farmers, the Farmer Producer Company (FPC) is a way to unite small and marginal farmers with other small producers in the nearby areas. FPC assists farmers in increasing their participation in secondary agricultural activities such as processing, value addition, and direct sale of agricultural products. This increases the producer's share of consumer rupees, lowers transportation costs, lowers agricultural costs, strengthens farmers' negotiating power, and expands their backward and forward connections. FPCs become crucial grassroots institutions for broader socioeconomic change as a result.

Application of research: Case study of this Aland FPO is a reference to New FPO to understand market entry, customer satisfaction, organizational culture, marketing effectiveness, innovation, operations, and change. This case study provide insights, lessons, and data to improve decision-making, enhance customer experiences, and drive organizational success

Research Category: Millets Research

Abbreviations:

FPO- Farmer produce organisation

FPCL- Farmer Producer Company limited

PM- Prime minister

FAO- Food and agriculture organisation

SFAC- Small farmers agri-business consortium

DAC- department of agriculture and cooperation

NABARD- National Bank for Agriculture and Rural Development

RI- Resource institute

FO- Farmers organisation

MOAFW-GOI- Ministry of Agriculture & Farmers Welfare Government of India

COMCEC- Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation

KVK- Krishi Vigyan Kendra

ICAR- Indian council of agriculture science

IIMR- Indian institute of millet research

Ltd- Limited

CEO- Chief executing officer

CHC- Custom hiring center

IYOM- International year of millets

GeM- Government e Marketplace

ONDC- Open Network for Digital Commerce

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****Principal Investigator or Chairperson of research: Dr Sangappa**

University: ICAR-Indian Institute of Millets Research, Rajendranagar, Hyderabad, 500030, Telangana, India

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Study area / Sample Collection: Aland, Tadakal, Gulbarga, Karnataka

Cultivar / Variety / Breed name: Millets

Conflict of Interest: None declared

Ethical approval: This article does not contain any studies with human participants or animals performed by any of the authors.

Ethical Committee Approval Number: Nil

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