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Knowledge of members about functioning of farmer producer organizations in Dharwad district

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Abstract

A Farmer Producer Organization, formed by a group of farm producers, is a registered body with producers as shareholders in the organization. It deals with business activities related to the farm produce and it works for the benefit of the member producers. The present study was conducted in Dharwad district of Karnataka during 2021-22 to study the knowledge about functioning of FPOs in Dharwad district. Four talukas from Dharwad district-Dharwad, Hubli, Kalghatgi and Kundgol are selected. From each FPO 30 respondents were selected by simple random sampling technique. Thus, a total sample of 120 farmers were selected for conducting their search work. The study revealed that a large majority of the members possessed knowledge about the input supply service (88.33%) and machineries supply from the FPOs (77.50%). More than half of the members know the functions of FPOs like promotion and use of modern agricultural practices and agri. infrastructure services (56.60%), dissemination of the new technologies and innovations (52.50%). Knowledge was positively and significantly influenced by annual income, extension contact and market orientation of the members of FPOs at 1% level of significance whereas cosmopolitaness and innovativeness was positively significant at 5% level of significance and other variables did not exhibit any significant relationship with the knowledge. Therefore, the FPO should become more active and the office bearer should take initiative in extending all the facilities of the FPOs to its members. Further, they have to seek co-ordination and co-operation of all the members in different activities. Thus they can create awareness about different functions of FPOs.

Keywords: Functioning of farmer producer organizations, knowledge, simple random sampling

Introduction

Our nation is based on its farmers. The number of small and marginal farmers has been rising for the past ten years. Agriculture is becoming more unprofitable due to the lack of access to production technology, quality inputs at reasonable prices, value addition, processing, seed production, custom hiring, credit, investments and most importantly markets. Farmers are getting more chances as a result of the rising demand for high-quality, fresh food products. A Farmer Producer Organization, formed by a group of farm producers, is a registered body with producers as shareholders in the organization (Anonymous, 2019) [1].

The main objective of FPO is to encourage the producers form their own organization so that they can increase their earnings. Small producers lacked the quantity of inputs and outputs required to utilize economies of scale. In addition, there is a long chain of intermediaries in agricultural marketing that frequently work in an opaque manner, resulting in a scenario where the producer only receives a small portion of the value that the final customer pays. The primary producers can profit from economies of scale through aggregation. Additionally, they will be able to negotiate more advantageously with large producers and suppliers of raw materials.

The Farmer Producer Organization is the best hope for properly addressing the existing challenges. It is more important to focus on the narrower connection between marketing and agriculture. Any organization's members must have a clear understanding of the services it offers in order to succeed. Therefore the study has been conducted to know the knowledge of members about functioning of FPOs.

Methodology

The present study was conducted in purposively selected Dharwad district of Karnataka during 2021-22 due to no previous study has taken in this area. From the Dharwad district, four talukas were selected i.e., Dharwad Taluka, Hubli taluka, Kalghatgi taluka and Kundgol taluka. From each FPO 30 respondents were selected by simpler and Om technique.

Thus, a total sample of 120 farmers were selected for conducting the research work. To study the knowledge of members about functioning of FPOs, a structured interview schedule was prepared by reviewing the previous research studies and pretested in the non-sample area. The data was collected from them members with the help of finalized schedule by personal interview technique. Mean and standard deviation were used for classification of the members into various categories. Correlation was employed to know there relationship between dependent and independent variables.

Results and Discussion

A large majority of members of FPOs possessed knowledge regarding input supply services, manufacture, sale or supply of machinery services, promotes use of modern agricultural practice and agri. infrastructure service, dissemination of new technologies and innovations and more than half of the members of FPO had the knowledge about carrying out internal audit of accounts on a continuous basis by a chartered accountant (Table 1). Being the members of FPOs they are expected to know the various functions of Producer Organizations. Apart from that, they are deriving benefits from the FPOs.

Half of the members of FPOs were aware of issue of the shares of the FPO to individual producers only, in some FPOs they distributed profits earned among members after the marketing of the produce to institutional buyers, maintenance of marketing information system, as members are getting benefits of direct marketing and carrying the processing activities of the produce of its members such as Chilli powder making and grading of the produce, etc. With respect to overall knowledge (Table 2) of the members of FPOs, less

than half (47.50%) of the members belonged to low knowledge category. It is because of less than fifty percent of members only visiting FPOs regularly while 37.50 percent of members of FPOs were in high knowledge category due to their education status and 15.00 percent were having medium knowledge about the functioning of FPOs. The findings were in line with the results reported by Kanimozhi (2017) [3].

The data regarding correlation between independent variables and knowledge of the members of FPOs presented in Table 2. Knowledge was positively and significantly influenced by annual income, extension contact and market orientation of the members of FPO at one percent level of significance whereas cosmopolitaness and innovativeness was positively significant at 5 percent level of significance. The other variables did not exhibit any significant relationship with knowledge level of members.

Annual income had positively significant relationship with knowledge, it might be due to improvement in income of members of FPOs due to the intervention of FPOs compared to earlier situation led them to know more about functions of FPOs. Extension contact is also positively significant with knowledge about functioning of FPOs at one percent level of significance. This is because of members of FPOs contacted the Scientists and Assistant Agricultural Officer who in turn explained them regarding functions of FPOs. This might have helped them to gain more knowledge on functions of FPOs. Further market orientation is also following the same trend might be due to the availment of services like marketing services and marketing information by the members.

The above findings are supported by Kumar *et al.* (2014) [4], and Verma (2020) [5].

Table 1: Knowledge of members regarding functioning of FPOs

Sl. No.	Particulars	(N=120)	
		f	%
1	The FPOs supply seeds, fertilizers and other inputs required for cultivation to members.	106	88.33
2	FPOs will take part in manufacturing, sale or supply of machinery, equipment or consumables to its members.	93	77.50
3	It promotes use of modern agricultural practice and agri. Infrastructure service such as shadenets and sprinklers.	68	56.66
4	FPOs disseminate the new technologies and innovations.	63	52.50
5	The FPO shall have internal audit of accounts carried out on a continuous basis by a chartered accountant.	62	51.66
6	Shares of the FPO shall be issued only to individual producers.	60	50.00
7	FPO will maintain marketing information system.	56	46.66
8	The producer organization carry on processing activities including preserving, drying, distilling, brewing, canning and packaging of the produce of its members.	55	45.83
9	The FPO also render technical services, consultancy service, training, research and development and all other activities for the promotion of the interests of its members.	54	45.00
10	FPOs provide education on the mutual assistance principles, to its members and others.	49	40.83
11	FPO facilitate s financial services for purchasing the inputs.	49	40.83
12	Making channels of information and other business services accessible to producers.	45	37.50
13	FPO facilitates direct marketing to institutional buyers.	41	34.16
14	FPOs also plays important role in export of the produce of its members	38	31.66
15	FPO plays a major role in quality control.	32	26.66
16	FPO provides storage facilities to the members along with aggregation services.	31	25.83
17	In case of un sold lots, logistics arrangement is done by FPO /FPC.	22	18.33
18	A member who transacts with the company for a value not less than Rs.10,000/-a year shall be considered as active member.	11	9.16
19	The company shall maintain a general reserve equivalent to at least 20% of the net profit of the company each year.	10	8.33
20	The FPO will provide various insurance like crop insurance, electric motors insurance and life insurance.	8	6.66

Table 2: Relationship between profiles of members with their knowledge regarding functioning of FPOs (n=120)

SI. No.	Variables	'r' value
1	Age	0.28
2	Education	0.178
3	Landholding	0.120
4	Annual income	0.248**
5	Occupation	0.136
6	Mass media exposure	-0.065
7	Extension contact	0.303**
8	Market orientation	0.579**
9	Risk orientation	-0.097
10	Cosmo politeness	0.191*
11	Innovativeness	0.228*
12	Organization participation	0.109
13	Economic motivation	0.143

*Correlation is significant at the 0.05 level.

**Correlation is significant at the 0.01 level.

Conclusion

Majority of the members of FPOs possessed knowledge about functioning of FPOs such as render the technical services, consultancy service, training, research and development and all other activities for the promotion of the interests of its members as members were getting advantages of different training programmes, provides education on the mutual assistance principles, financial services and making channels of information and other business services. Only few had knowledge about logistic services provided by FPOs because most of the FPOs did not provided logistics services to the members if they have provided also not regularly and due to lack of awareness. Therefore, the FPO should become more active and the office bearer should take initiative in extending all the facilities of the FPOs to its members. Further they have to seek co-ordination and co-operation of all the members in different activities. Thus they can create awareness about different functions of FPOs.

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