

# SCOPING STUDY FOR PROMOTING FARMER PRODUCER ORGANIZATION IN VADAMADURAI BLOCK OF DINDIGUL DISTRICT, TAMIL NADU

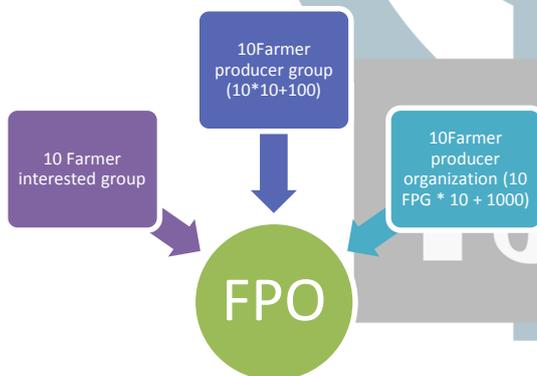
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**Abstract**— Agriculture is the backbone of India since Indian economy is agrarian based and it contributes much to our country's GDP and creates employment for more than 60% of the rural population. It is impossible without farmer. If country depends on agriculture then the agriculture depends on farmer. so this paper attempted to find the scope and feasibility of FPO for the betterment of small and marginal farmers by the collective approach. this study was done through Focus group discussion, case study and structured questionnaire by stratified random sampling with a sample size of 73 small and marginal farmers in ten identified villages of Vadamadurai block in Dindigul district. this research aims at analyzing the reason for not having the collective approach by understanding the social status of farmers, changes in the crop pattern, livelihood pattern and major problem faced by the farmers. finally, research found that a livelihood of the farmer is itself changing towards dairy from agriculture due many external and internal factor such like monsoon failure, dept loaded with high rate of interest, decreasing ground water level, failure of bore well, poor marketing price and mainly the exploitation of intermediates. it also found there is a scope for promoting FPO for dairy .

## I. INTRODUCTION

Farmer producer organization (FPO) is an organization started for the welfare of farmers which aims at to ensure the income of farmers who were the primary producers. It mobilizes the farmers from same village to building up their associations, Farmer producer organization is a management structure with a group of people for organizing or working for the particular purpose where the determines of relationship arrives that includes activities, assigns roles, responsibilities and authority to achieve the different task to the common well of the people . So here farmer producer organization is mainly works for the small and marginal farmers in terms of agricultural production which can be solve the problem of formers and agricultural labors by enhancing their income, reducing in transaction cost, providing potential benefits through collective action in terms of organizing the farmers to improve their bargaining capability in the market, to make the to adopt the principles of cooperatives and having the linkages between companies. Since the profit is being distributed on the basis of "patronage", it gives a reward to the member who is contributing where they can undertake activities related to pooling, grading, harvesting, procurement, value addition, processing, production and marketing. Farmers will be the shareholders of this company. So here the study was conducted in Vadamadurai block which is situated in Dindigul district where the major crop is Sorghum with a productivity of 1500 per hector. Other major production over is maize, and paddy (only in season), cow pea, black gram, red gram, horse gram. in horticulture, they cultivate tomato, brinjal, radish. in fruit they cultivate, mango, Amla, guava, sapodilla (nose berry), coconut. in oil seed they cultivate groundnut. In flowers, they cultivate tuberose, chrysanthemum, glory so (mediational flower).



## Objectives of the research

- To assess the status of marginal and small farmers
- To analysis the production, marketable surplus
- To exploring other alternatives for promoting FPO
- To assess the feasibility of FPO promotion by enquiring with small and marginal farmers and their readiness

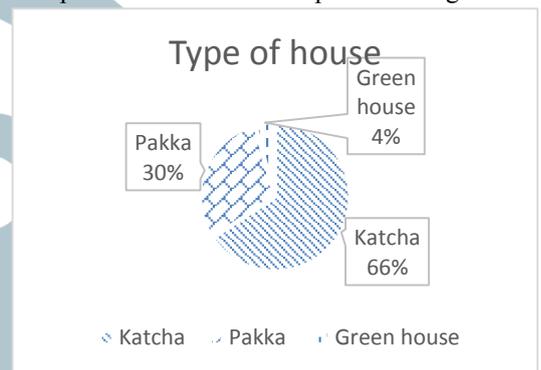
## Methodology

- Participatory Rural Appraisal
- Focus group discussion
- Personal Interview
- Sample Survey

## II. RESULT AND DISCUSSION

### Assessing the social status of farmers-

The first objective “To assess the status of marginal and small farmers” is mainly focusing on assessing the status of small and marginal farmers on the basis of socio economic background which covers their literacy, assets, ownership of holding an asset, dept. capacity to repay the dept. and the vulnerability in continuing their livelihood due to changing the crop pattern. Here the data collected from 70 samples in 7 village’s shows, the types of houses and the ownership of the farmers in this particular region. So according to survey, though the majority owns the house but still the type of house where they live is still not been improved, nearly 46 out of 70 Farmers are living in kutchra house and 21 farmers are living in pakka house(concrete) where and which 96% of the farmers are in own house. majority (63%) of the farmers have settled as nuclear family so we can also understand the own consumption for the particular family from their agriculture production will also be less since the only 37% of the farmers are living in join family in other hand, there is a chance of dividing the land which can caused towards the low production in terms of cultivation. From the type of house itself, we can understand the gap between farmers and government and its reach among the farmers since only 4% of the famers have availed green house by the government. Because only three farmers have availed to government schemes though irrespective of the changes in political party and implementing many schemes, especially for housing schemes. So, it shows the need of bridging the gap between farmers and the government.

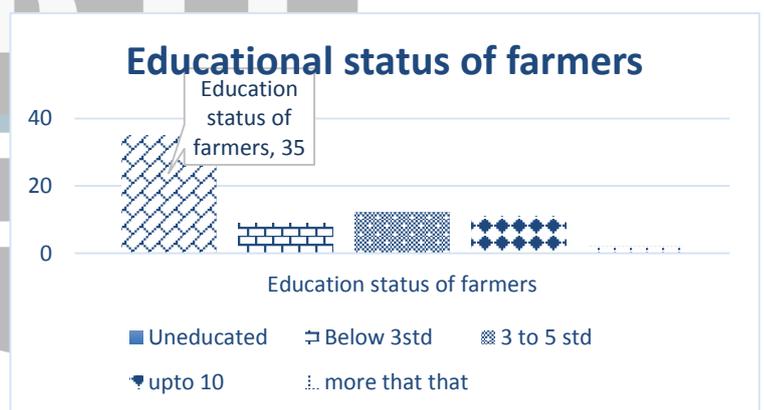


### Educational status of farmers

It shows the education status of farmers. To some extent education is also essential for effective agriculture and for the awareness towards farmer producer organization. So here the farmers who have been educated is very lesser then the farmers who have not get education. Nearly 35 farmers (51%) are comes under uneducated so from this we can also assess the understanding level of farmers to promote FPO.

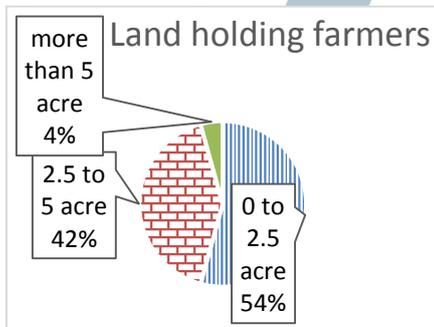
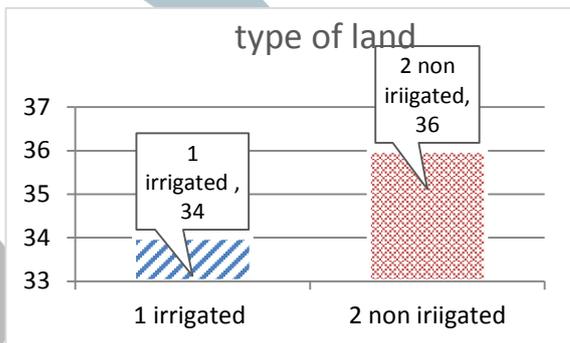
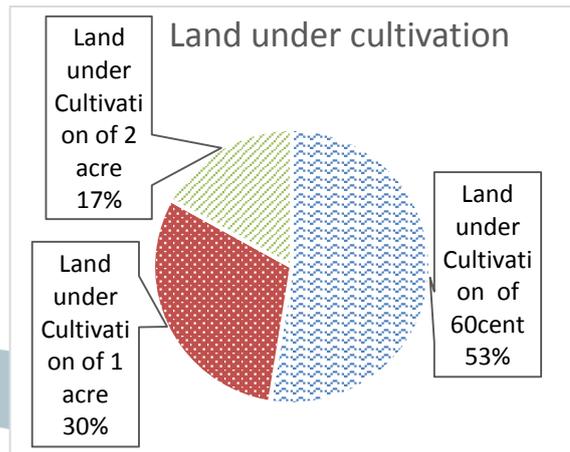
### Economic status of farmers

As known agriculture is becoming seasonal livelihood by which farmer struggles due to unemployment throughout the year. the livelihood opportunity and percentage of getting the source of income is very less since the majority famers are only familiarized with farming sector. Very few are skilled for some other occupation sugarcane shop, driving, hotel, petti shop, labor work, MGNREGA, mill work. Very few of them are working in government.



**Assessing the agricultural status of farmers**

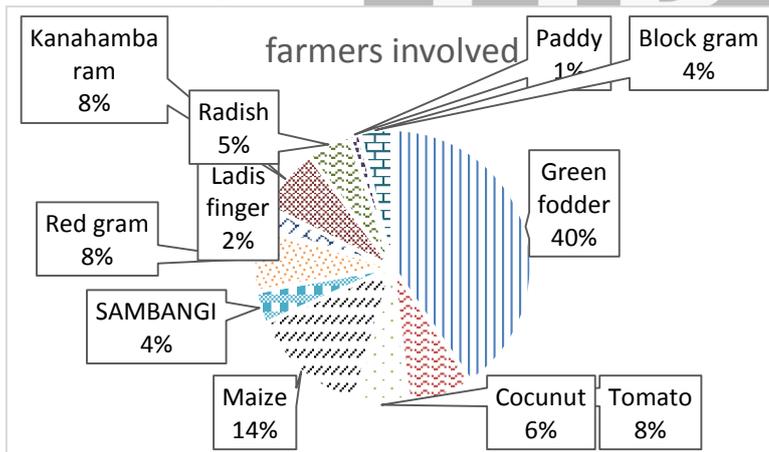
The natural and physical capital that's being own and utilized by the farmers for their livelihood activity, especially the percentage of farmers who is having irrigated land and those who are having non-irrigated land. so here the majority of 36 farmers are only depending on rain fed crop while 34 farmers are unable to have a irrigated land due to economic condition. the land holding of farmers in terms of acre. (**Classification of farmers** -Marginal Farmers (MF) - <2.5 acres, Small Farmers (SF) - 2.51 to 5.0 acres , Medium Farmers (MF) - 5.1 to 7.5 acres ,Large Farmers (LF) - 7.51< ) according to this classification and sampling survey in stratified random sampling survey in vadamadurai region, 54% of the farmers are small farmers since they are holding 0 to 2.5 acre land while 42% of the farmers are middle farmers and only 4% of them are rich farmers. There are some factors behind the inequality in terms of holding land such like, distribution of land by giving dowry to daughter during her marriage, selling the land to land lards due to the repayment of credit which got by the farmers and mainly the changes in the primary livelihood agriculture to dairy due to failure of monsoon rainfall.



It also has a direct connection with a above chart that 54% small farmers are there but here 53% of farmers are doing agriculture only in 60 cent due to water scarcity and lack of irrigation facility which makes them to go for only rain fed crop like gram and pulses. So, remaining 30% of the farmers are cultivating in 1 acre while only 7% farmers are able to do cultivation in 2 acre which mentioned 4% in the above chart as a rich farmer which shows the great inequality.

**Present Crop patters that cultivates by the farmers**

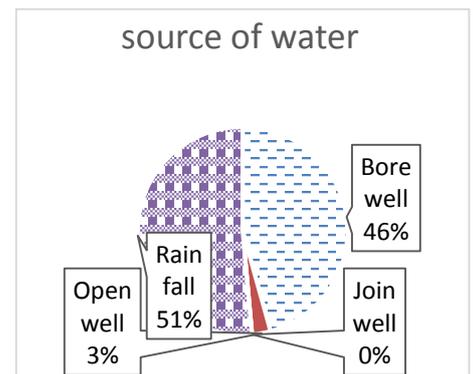
This above chart is explaining about the types of crop that's being cultivated by the farmers in terms of percentage. So, altimetry all famers are having livestock's in their house and cultivating maize as a major crop which is having 14% next to the green fodder of 40%. 6% of the Farmers cultivating coconut, 8% farmers are cultivating *crossandra infundibuliform is*, and red gram, 4% of them are involving in tuberose and black gram and only 2% farmers are cultivating ladies' finger and tomato in this region. Mainly the percentage of paddy cultivation (1%) shows how the water scarcity in this area affects the crop pattern.

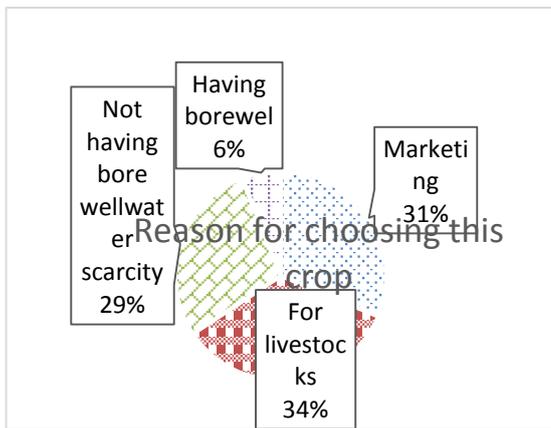


these all are the major factors behind choosing crop or for trend changes from agriculture to dairy activities in this region. Especially farmers those who are having Bore well are only able cultivate and

some them are having Bore wells but those wells got failure due to decrement of ground water level.

The indicators of agriculture that's being used by the farmers which covers the economic dimension, physical and natural capital which is use full for assessing the status of the farmers in today scenario. Rain fall is a main source of the water that's being used for the irrigation process in agriculture. In the mean while the monsoon rail falls also decreasing



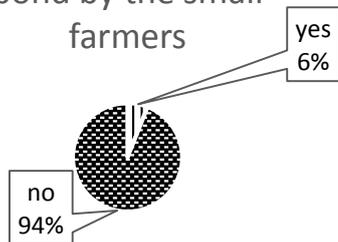


gradually which affects the primary livelihood the people. According to the study major 51% of farmers are only depends on monsoon while 46% of total farmers are having the irrigation facility and the numbers of open well is disappearing everywhere as here it is only a 3% in a whole water source. This chart shows the level of ground water level and its depth of the bore well which is in the using by the farmers for agriculture and other allied activities like drinking, domestic work and also for their livestock's. So here the bore depth reaches up to 1000 feet in maximum while the lowest is 350 feet. But 53% of the bore already reached more than 1000 feet and very few well are having water in 350 feet itself. And remaining 44% of the bore well reaches its depth in 1000 feet.

to harvest and utilize the water for irrigation. But cost for setting up farm bond also matters.

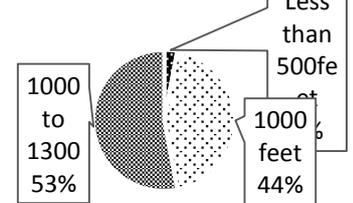
Farm pond is one of the effective ways

percentage of Farm pond by the small farmers



Here percentage of having a farm pond by farmers is only 6% of the total famers are following this irrigation method while 94% of them are not having those facilities in this region.

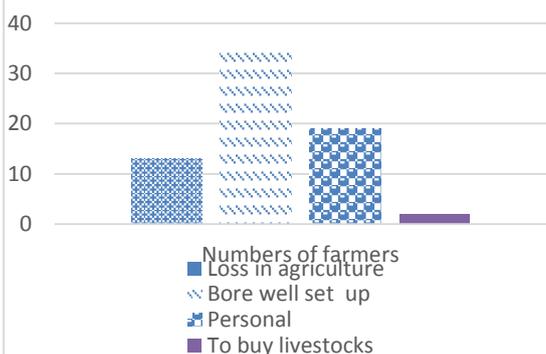
Depth of bore well



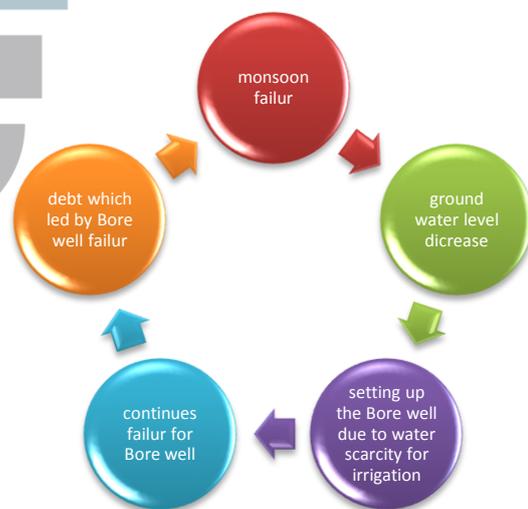
### Farmers as a debtor after many Bore failure

in current scenario farmers are committing suicide in a day to day life. one of the main reasons for this is farmers are over loaded with credits with high rate of interest. percentage of farmers who is having formal and informal credit and the amount of credit received in current. The lowest amount of loan that was get by the farmer is starts from 30000 and the highest loan amount is 17 lakhs. Most of the farmers are having loan amount of 1 to 5 lakh that is 27% which most in total numbers of farmers. The interest rate which was given by the money lender is 3 Rs while SHG is 24% and remaining bank gives loan at the interest rate of 1.5%. here the date expresses the reason of loan that was taken by the farmers which includes formal and informal loan like bank (including gold loan), money lender, and cooperative, SHG. The major reasons are loss in agriculture, due to setting the bore well, to buy livestock's, personal loan like marriage ceremony, education, house construction. But as per data, 27% of

Reasons of current laon



farmers have taken loan mainly for setting up the loan which is highest then other reason given by the farmers.18% of the farmers have taken loan for personal issue while 14% loan had been taken for loss in agriculture and remaining was taken for buying the livestock. farmers those who have taken the loan for setting up the loan was not the first time to take the loan for bore but majority of the farmers are having failure of bore well nearly 3 to 7 times which actually let them into these kinds of

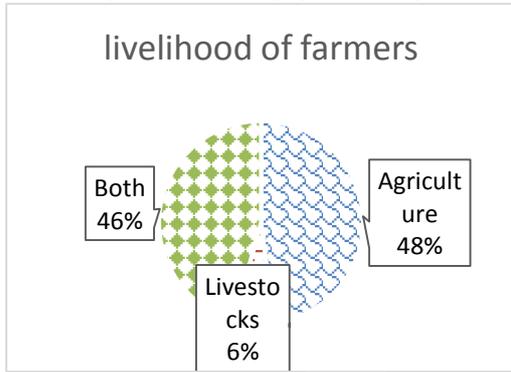


vulnerability and also to economically backward condition.

this cycle shows farmer's livelihood changes in trend and the main reason behind the changes of the farmers from primary livelihood of agriculture to dairy activities. so due to this bore failure and uncertain rain fall, people started to cultivate only red fed crop like green fodder so that they can alternatively have a two source of income from agriculture as well as from dairy. so now farmers started to focusing on cultivating green fodder and using those fodder to their livestock's and also they use the cow dung as manure to the land as an organic fertilizer since the input cost very low in terms of rain fed crop. Now it has become the trend in rural due to external factor in their primary occupation. agriculture is primary livelihood but the main source of the income comes from livestock by which they involve in dairy activities. This livelihood changes mainly because of water scarcity due to monsoon failure in this region. A below cycle explains how the livelihood have changes over the period from agriculture to other allied activity such like dairy, goat rearing, labor work, and very few people have engaged in self-employment. These kinds of alternative

livelihood prevent the people from migration.

These all are the allied livelihood activities of the farmers except agriculture. Livestock's or dairy activities takes the first place with 37% with the exclusive of goat rearing with 10%. 12% of the formers are working as an agricultural laborer which comes under



seasonal livelihood during harvesting and plugging season of an cultivation. Mostly women will be involving in this work while men will be involving in sparing of fertilizer and pesticides and also in transporting and selling the productions. Next to that 29% of the farmers are availed to MGNREGA work, which actually helps them during the unemployment season. Only 2% of the farmers are skilled labors (constructed workers)

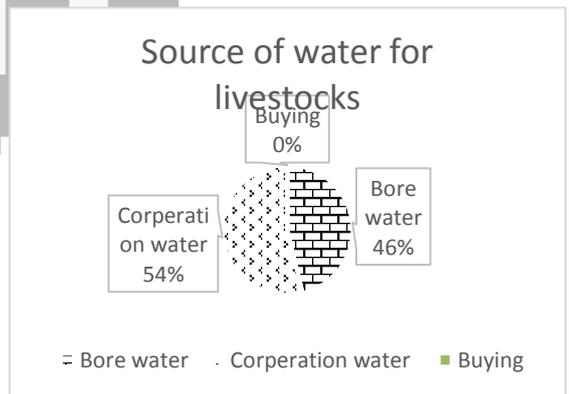
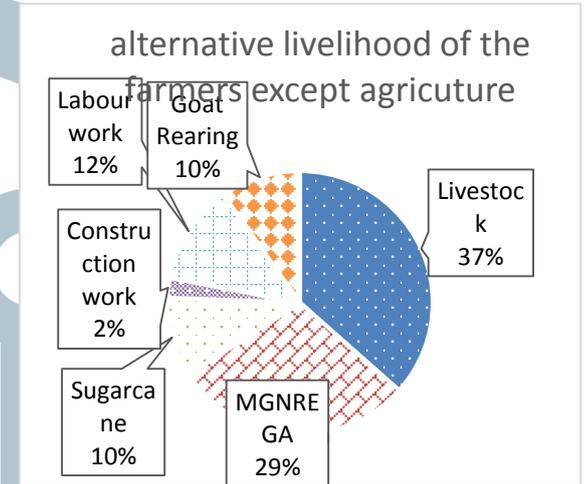
**Dairy as an Alternative livelihood of the farmers**

The above char shows the rationale of scope for promoting famer producer organization since majority of the famers with 46% are involving both agricultural and dairy. But previous charts show the thread of promoting FPO for agricultural production with low production different type of crop, pulses and flowers. But at the same time .and 6% farmers are only depending on livelihood as their main source of income. In terms of livelihood, jersey, cross breed are the types of cow which is in the almost 10 panchayats (according to survey).

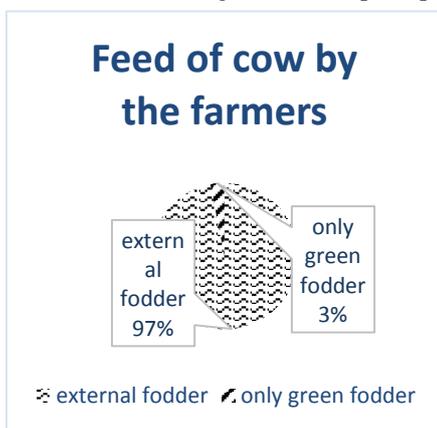
**Source of water**

this shows the percentage of the source of the water for the livestock's that 54% of the source for water is from corporation water while 46% of the water is from bore well. So again, it gives the information regarding to the insufficient of water for the livestock itself. Also, according to survey, some villagers are buying water for their livestock's which increase the input cost for dairy especially during summer.

the above chart brings out the scope of promoting FPO which can be reduce

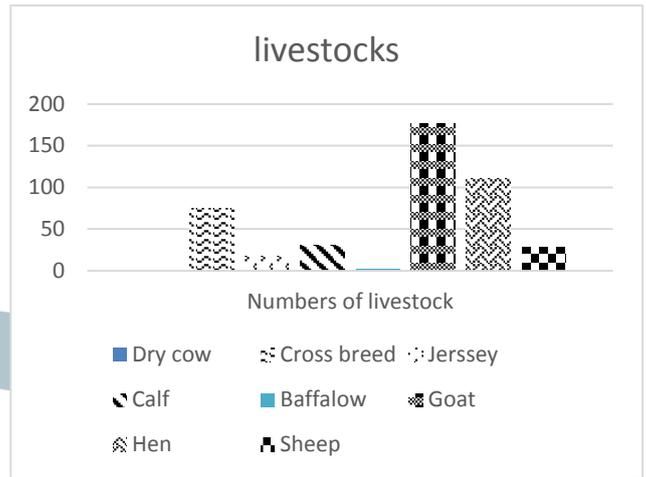


the input cost for the dairy farmers. The organic feeds which are given to the animals are as follows green fodder, straw, maize, cake, bran, ground nut. And 97% of the farmers are providing KS (inorganic) feed and SKM and very few are giving biscuit powder. So, there is a scope for providing support from FPO to decrease the input cost. Most of the people are doing veterinary care only by the veterinarian and veterinary hospital varies from 1 to 7 km. The common disease for the animals are fever, foot and mouth disease, mastitis disease. Artificial insemination is

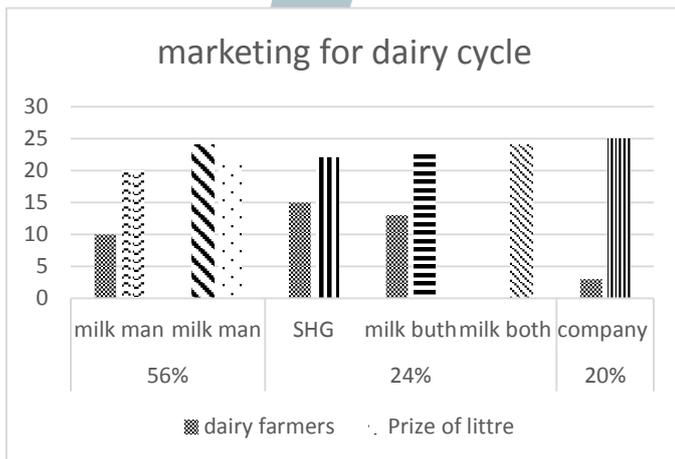


practiced in all panchayat and preventions is not followed by the people and also lack of immunization .98% of the people doesn't have cattle insurance due to lack of awareness

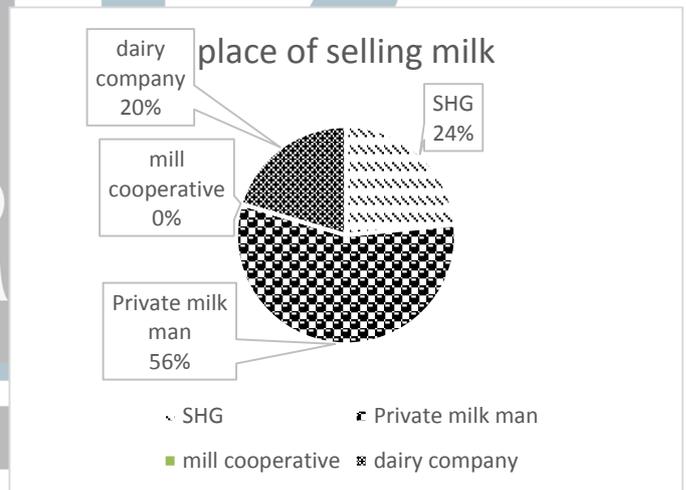
here this chart shows the percentage of the type of the breed and other livestock's which is the main source of income generating asset of the farmers. In terms of cow, cross breed is mostly used breed but farmers are not habituated properly to handle it since their primary livelihood is farming. (between country breed and cross breed).Feeding knowledge and feeding time are inappropriate such like not proper , lack of clean and fresh drinking water for animals and animal care .Cattle is bought mainly with a help of brokers with advance money and the buying period will be only during on first and second gestation period also they choose the cattle after seeing two times of milking and four teeth cattle .The rate of purchase varies from 25000 to 55000.the flush season starts from September to February and the dry season is from march to august .Around 10 panchayat people are involving in dairy activity as secondary livelihood but now it has become the main source of income .The credit support is mainly done by the milk man, nearly 20000 has been provided as an advance .Intermediate advance also provided by milk man and he is using 1100ml measuring cup but we using the correct measurement.



**Dairy marketing system**



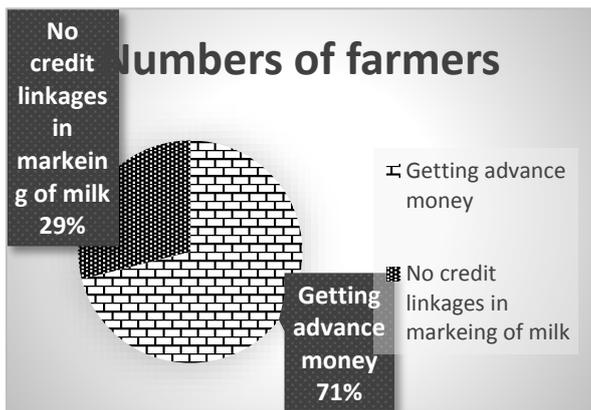
Farmer around Vadamadurai are selling their milk mainly in four places directly .in that some of them are able to sell their milk directly to the milk company where could able to get high price per litter since there is no intermediate. So here 56% dairy farmers are selling milk to private man while 24% to SHG and 20% of them are able to sell to dairy company. So, this chart also shows domination of middle man. So, exploitation is too high in those places.



place where farmers are selling their milk the price per litter. The price of the milk starts from 21 and the highest price is 25 Rs. 37% of the dairy farmers are selling their milk at 22 to private middle man while 15% farmers to middle man at 20 rupees, 23 farmers are selling at 22 rupees to SHG.23% of the dairy farmers are selling at 23rupees to middle man while remaining 5% of the dairy farmers are only able to sell their milk directly to the company .usually middle man in different are giving price at different rate. Informal advance system is the strong system which

is being followed in this location. it shows that the majority (56%) of the dairy farmers are selling to the middle man and also this chart explains that most the dairy farmers are getting low price per liter since they selling to middle or private milkman.

**Informal advance system in dairy cycle**



above chart shows the strong advance system between middle man and dairy farmers where farmers are exploited by the middle man. Almost 71% of the farmers are under the loan given by the middle man which create a kind of agreement that farmer should sell their milk only to the private milk man since they have got the loan in starting of the year itself with no interest. In this way people are being exploited by the intermediate. Also, it was found that 16, 23% of farmer are aware about FPO. FPO while 16, 23% of them are not aware .100 % of the farmer are interested in promoting and joining in FPO but in demand and demand and need of backward and forward linkage which includes input cost such as seed, fertilizer, transport and mainly 96% of farmers have mentioned

credit, marketing in a good prize, availing for government subsidy

**SHG member and dairy farmer**



It shows how a social capital in the village can be worked out for the collecting approach of farmers for promoting FPO. Because SHG is group of women members who belongs to poor family involving in varies livelihood so here out of 100% farmers, 61% of them are in SGH where it shows the scope of promoting by involving SHG members also since women plays an important role in daily. And remaining 39% are not in self-help group. So, by promoting or interfering in livelihood activity, we can also promote group for livelihood activities for farmers alone such like FPO by which we can decrease the input cost and increasing the income of farmers.

Month	Litter per day	Prize per month as 21 is prize	Input cost (KS, Bran)	In a year
October	12	7812	1150+300	
November	12	7560	1150+300	
December	12	7812	1150+300	
January	9	5292	1150+300	
February	9	5670	1150+300	
March	5	3255	1150+300	
April	5	3150	1150+300	
May	5	3255	1150+300	
June	Pregnancy period from June to next march		575+ 150	Veterinary ( prevention and insemination ) =2000 + 400
July			575+150	6000 for green fodder
August			575+150	
September			575+150	
<b>Total = 8 months</b>		<b>Total=43,806</b>	<b>Total=14500</b>	<b>22900</b>

Exciting Prize for milk	Income out of it prize
20	41740
21	43806
22	41720
23	45892
24	47981
25	52150

Majority of the farmers are having two cows so that they can manage when one cow is in insemination period. Otherwise it leads to again the dept, by having insufficient income.

**CONCLUSION**

The findings of study provides understanding in different dinamic of the feasibility for promoting dairy based farmer producer organization with small and marginal farmers.dairy is main livelihood activity in Vadamadurai block where there is also efficient social capital( women self help group).As per survey 450 litter of milk produced through 64dairy famers. There are 8611 women members of SHG who are involving dairy activities So by collecting the dairy farmers from women self help group, dairy FPO can be promoted.but there also an risk factor such like dominance of milk man, Advance money system, Credit linkage from SHG to due to repayments ,Gathering members from SHG. but still it is possible to promote dairy FPO by creating linkages with Bank and

companies for the value addition process. So recommendations are new intervention can be done for cattle insurance , credit support for purchase of cattle, Veterinary service is very important area which need to be covered ,The credit policy for dairy activity has to be involved .

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