

MANAGE Agricultural Extension "Evening4Learning (E4L)" Webinar Series

Topic: "Agricultural Extension for Sustainable FPOs: Lessons from ICAR-KVK MYRADA"

Schedule:
23-11-2022, 19:00-19:30 PM

MANAGE - Center for Agricultural Extension Innovations, Reforms and Agripreneurship (MANAGE- CAEIRA)
National Institute of Agricultural Extension Management (MANAGE)
Rajendranagar, Hyderabad- 500 030, INDIA



About the Program

The MANAGE Agricultural Extension "Evening4Learning" Webinar Series is aimed at enhancing knowledge and professional engagement in the field of agricultural extension. The twelve-day series is structured with each day focusing on a distinct topic under a common theme, allowing participants to gain comprehensive insights into key areas of extension. The programme is intended for a diverse audience, including postgraduate and doctoral students, agricultural faculty, and industry professionals. It covers broad themes ranging from entrepreneurship and sustainability to emerging technologies in agriculture.





Speaker

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About the Speaker

Dr. P. Alagesan is an accomplished agricultural extension professional with over 25 years of experience in agriculture and rural development, particularly in the ICAR–KVK system. He currently serves as Senior Scientist and Head at ICAR–KVK, MYRADA, Gobichettipalayam, Tamil Nadu, and holds a Ph.D. in Agricultural Extension and Rural Sociology. His work focuses on livelihood promotion, integrated farm development, watershed management, and strengthening farmer institutions through participatory approaches.

Introduction

Farmer Producer Organisations (FPOs) have emerged as an important institutional mechanism for strengthening the collective economic power of farmers, improving market access and promoting agricultural entrepreneurship. Recognising the importance of farmer collectives, the Government of India and state governments have supported the promotion of FPOs to facilitate collective input procurement, aggregation, processing, value addition and marketing. However, the formation of an FPO alone does not ensure its long-term sustainability. Effective governance, financial management, member participation, business planning, institutional accountability and market linkages are essential for its continued growth.

Agricultural extension professionals working through Krishi Vigyan Kendras (KVKs), development departments, non-governmental organisations and other institutions play a crucial role in facilitating this process. Their responsibilities extend beyond awareness creation and organisational formation to include capacity building, conflict resolution, enterprise development, networking and handholding support

Framework for Sustainable Institution Building

The six essential features for building sustainable farmer institutions include:

- **Vision and values:** Establishing a clear organisational purpose and shared values among members.
- **Organisational management:** Developing efficient management systems, clearly defined responsibilities and effective governance mechanisms.
- **Financial management:** Ensuring transparency in financial transactions, effective management of share capital and appropriate utilisation of resources.
- **Organisational accountability:** Maintaining accountability to members and stakeholders through transparent organisational functioning.
- **Capacity to build and sustain linkages:** Establishing relationships with financial institutions, government departments, market agencies and other relevant organisations.
- **Capacity to learn and evolve:** Periodically reviewing organisational performance, learning from experience and adapting to changing circumstances.

These features provide a practical framework for strengthening farmer institutions and ensuring their long-term sustainability.

Four Stages of FPO Development

The development of FPOs involves four stages: Forming, Storming, Norming and Performing. Each stage requires specific interventions from agricultural extension professionals.

F**orming stage:** Creating awareness about the FPO concept, mobilising farmers around common agricultural enterprises, distributing educational materials and conducting training programmes. Exposure visits to successful organisations help build farmers' confidence and understanding of collective enterprises.

Storming stage: Addressing initial disagreements and uncertainties regarding the organisation's name, leadership, office bearers, share capital, financial contributions and organisational procedures. Extension professionals need to facilitate discussions, clarify doubts and build consensus among members.

Norming stage: Establishing agreed organisational structures, completing registration-related processes, constituting the board of directors and activity-based committees, identifying office bearers, and preparing realistic business plans aligned with local resources and market opportunities.

Performing stage: Enabling the FPO to undertake business activities, mobilise financial resources, establish market linkages, explore processing and value addition, and gradually manage its operations independently. Adequate support during the initial stages is essential for preventing misunderstandings, resolving conflicts and building a strong institutional foundation.

Role of Agricultural Extension Professionals

Sustained, field-oriented extension support is essential throughout the institutional development process. The major responsibilities of agricultural extension professionals include:

- Creating awareness through leaflets, pictorial calendars, training materials and village-level meetings.
- Mobilising farmers engaged in specific agricultural enterprises and promoting collective action.
- Organising capacity-building programmes at village and cluster levels.
- Facilitating exposure visits to successful FPOs and producer enterprises.
- Supporting conflict resolution, consensus building and organisational decision-making.
- Assisting in business planning, resource mobilisation, institutional networking and market development.

Extension professionals should gradually transition from intensive handholding to a facilitative role as FPOs develop the capacity to manage their own affairs independently.

Experiences of KVK–MYRADA in Promoting FPOs

KVK–MYRADA is the promoting seven farmer producer companies in the region. These companies focused on commodities and enterprises suited to their respective local contexts, including paddy, sugarcane, millets, dairy, banana and vegetables. These experiences demonstrated the importance of adopting a location-specific approach to FPO promotion based on local resource availability, production systems and business opportunities.

Collaboration among KVKs, development agencies, government departments, financial institutions and market organisations is important for the development and sustainability of FPOs. Such partnerships enable FPOs to access technical knowledge, infrastructure, financial assistance and business opportunities.

Case Study of Khazani Farmer Producer Company Limited

The experience of Khazani Farmer Producer Company Limited, supported by KVK–MYRADA, illustrates how systematic institution building and sustained extension support can contribute to organisational independence and business growth.



The key developments included:

- Establishment of two market outlets for selling agricultural produce and value-added products.
- Establishment of a seed-processing unit and development of the “Buy Me Eat Me” brand for its products.
- Value addition and marketing of approximately 1.5 tonnes of millet and pulses per month.
- Development of partnerships with private companies and other market players.
- Vendor registration with ITC Ltd. for millets and turmeric.
- Development of market linkages with M/s WayCool Fruits and Products Private Limited, Chennai, and M/s Mahindra Greenyard Limited for banana varieties.
- Registration on electronic agricultural marketing platforms, including the National Agriculture Market (e-NAM) and National e-Markets Limited (NeML).
- Expansion into banana marketing, including export-oriented activities involving red banana and other varieties.
- Development of processing, cleaning, grading and packing facilities to improve product quality and market readiness.

The experience demonstrated how FPOs can progressively move from collective production towards value addition, organised marketing and stronger commercial relationships through appropriate institutional and technical support.

Financial Support, Infrastructure and Technological Advancement

Financial assistance and infrastructure development play important roles in strengthening FPO operations. Support for millet processing, seed processing, storage infrastructure and business expansion through relevant projects and institutional partnerships has contributed to the development of the organisation's operational capabilities.



The support for an Internet of Things (IoT)-based initiative and the installation of a weather station facilitates precision agriculture and technology-enabled farming.

These initiatives demonstrate the potential of integrating institutional development, financial resources, infrastructure and digital technologies to improve the operational efficiency and long-term competitiveness of FPOs.

Networking, Market Linkages and Institutional Recognition

Developing strong networks with banks, NABARD, government departments, marketing agencies, corporate buyers and other resource institutions is important for the sustainability of FPOs. Effective linkages facilitate access to credit, infrastructure, market opportunities and government support programmes.

Documenting organisational performance, business growth and farmer-level outcomes can strengthen institutional credibility and support recognition. Systematic documentation also helps demonstrate the outcomes of FPO interventions, identify areas for improvement and build stakeholder confidence.

Key Highlights

- **Sustainable Institution Building:** Effective governance, transparent financial management, organisational accountability, member participation and continuous learning are essential for the long-term sustainability of Farmer Producer Organisations (FPOs).
- **Four Stages of FPO Development:** The stages of Forming, Storming, Norming and Performing require systematic interventions by agricultural extension professionals to facilitate farmer mobilisation, consensus building, organisational development and independent business operations.

- **Role of Agricultural Extension Professionals:** Sustained capacity building, conflict resolution, business planning, resource mobilisation, exposure visits and institutional networking are crucial for strengthening FPOs and enabling their self-reliance.
- **Value Addition and Market Linkages:** The experience of Khazani Farmer Producer Company Limited demonstrates how processing facilities, branding, organised marketing, digital market platforms and partnerships with corporate buyers can enhance FPO business growth and competitiveness.
- **Institutional Convergence and Technological Advancement:** Collaboration among KVKs, government departments, financial institutions and market agencies, along with infrastructure development and digital technologies such as IoT-based initiatives and weather stations, can strengthen FPO performance and long-term sustainability.

Interactive discussion

1. How can Farmer Producer Organisations (FPOs) compete with private agribusiness companies that have substantial investments, strong branding and advanced digital technologies, particularly in organic and other agricultural markets?

FPOs can compete with private enterprises through collective action, farmer participation, quality assurance, effective branding and direct market linkages. Encouraging members to purchase and promote their own FPO's products can create a reliable initial market and strengthen business volumes. For example, collective promotion of branded rice by FPO member families helped improve market acceptance and expand sales. FPOs can also focus on niche products, such as traditional rice varieties, organic produce, vermicompost and export-oriented red bananas, where quality and collective marketing can provide a competitive advantage. Although competing with established private companies takes time, strong member commitment, product quality, value addition and strategic market partnerships can enable FPOs to gradually expand their market share and achieve sustainable growth.

YouTube link: https://youtu.be/JYhSGBpzOfs?t=3

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