



Knowledge Management and Producer Organisations

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Introduction: Knowledge Management (KM) is an art that deals with the transformation of intellectual assets and information to create value by identification, acquisition, creation, and sharing of knowledge in the organization. A Producer Organization (PO) is a legal entity formed by primary producers, viz. farmers, milk producers, fishermen, weavers, rural artisans, craftsmen, etc., with the main purpose of strengthening the position of farmers by working collectively to achieve economies of scales and synergies, to process and market the products of their members. KM in POs help in making sense of and managing the copious streams of data and information that they confront everyday to make them available for supporting decision-making. This will allow them to tap their collective potential for policy positions, market integration, collective bargaining, knowledge generation and sharing. This study was done to

- understand KM process among POs
- conduct case studies and SWOT analysis on POs

Methodology: Descriptive research design was used for this study as a detailed investigation of KM of selected POs was carried out. This study was conducted in the state of Uttar Pradesh as it has the second largest number of registered FPOs in our country. The data collection was done in eight POs in Uttar Pradesh, across five districts of Pilibhit, Bareilly, Deoria, Kushinagar and Agra. In this study, semi-structured interviews schedule with close-ended and open-ended questions were used for data collection. In-depth interviews were carried out with the CEO's/head of POs and the member farmers.

Result and discussion:

Knowledge Management (KM) process in Producer Organisations (POs): In this study KM was studied under acquisition, organization, storage and dissemination process across eight POs.

1. **Acquisition of knowledge:** Most of the organizations tried to obtain only knowledge which directly affect their productivity - for example, in milk producer companies the main concern of knowledge acquisition is about artificial insemination and balanced ration, while in horticulture the focus is on polyhouse and fertilizer information. But overall development of an organization require knowledge management on every aspect. The various sources of acquisition of knowledge in POs were SAUs like Gobing Ballav Pant University of Agriculture and Technology (GBPUAT), Chandra Sekhar Azad University of Agriculture and Technology, Kanpur) (CSAUAT),

ICAR-Indian Veterinary Research Institute (ICAR-IVRI), etc., where they provide them updated and researched information, and also link them with other producers who used to visit them; State Agricultural Departments of horticulture, agriculture, animal husbandry, etc. provide them information related to government provided benefits, schemes etc.; own hired specialist in big POs; books and CDs, internet and social media; tour programmes, kissan mela and surveys.

2. **Organization of knowledge:** After the acquisition of knowledge the next requirement is of knowledge organization. Theoretically in knowledge organizing, knowledge is first evaluated/ validated to ensure that knowledge is accurate and valuable before it can be used and then it is categorized and represented in a structured manner with indexing/mapping. But in most organizations, this step is missing. In the name of knowledge organization one will find some pamphlets or some data book only, that too, not stored safely as a source of knowledge. The reason may be that most are budding producer companies, their major focus is on the financial establishment, with knowledge organization seeming to be very far. But if they start managing this knowledge from the beginning, it will improve the quality in long term.
3. **Storage of knowledge:** Knowledge has a constant, continuous and dynamic flow. If available knowledge is not suitably stored in a system, it could easily be lost in different ways such as being forgotten, non-usage, change of the person handling it, etc. Knowledge storage was found only in a few POs in the form of books, reports, CDs, soft copies, in the form of records like production, sales, input etc., pamphlets and leaflets. Many POs hadn't even thought of knowledge storage, as according to them, once the knowledge is delivered to farmers, it will always remain with them and so storage is not an issue.
4. **Sharing/dissemination of knowledge:** Various methods used for knowledge dissemination include conducting training and workshops as per the requirement of members; through visits by experts or KVK scientists; by use of internet like e-hub; organizing awareness camps; using local mass media methods like organizing Haat, puppet show, etc.

SWOT analysis: The SWOT approach involves systematic thinking and comprehensive diagnosis of factors relating to a new product, technology, management or planning. The SWOT analysis of POs as studied is discussed below:

Strengths: It includes internal attributes and resources that support a successful outcome of an organization. The strength of POs include their working structure i.e., the board of members, chairman and chief executive officers. All officials are selected by the members, which brings transparency and trust. There are also bi-annual general meetings held once in every six months, in which all activities, transactions, etc., are shared and discussed, with all members having equal right to give their views about the functioning of the organization. This strengthens the working structure of an organization. In the business model of FPOs, the main purpose is to inculcate business skills in farmers and the business plans are developed in detail with at least 10% of FPO farmer members being preset, to provide clear vision. The cooperation among FPOs across the states can help in connecting with each other and it will solve marketing problems to some extent. For example, the

producer companies in two areas can help in supplementing and marketing each other's product, thus eliminating middleman and also reducing marketing cost.

Weakness: These are factors which stops an organization from performing at its optimum level. The perceived weakness in POs are, problem in aggregation of farmers into Farmer Interest Groups, as many farmers didn't readily believe in the idea of POs and don't want to join; also, there is lack of financial support as initially NABARD supported POs for three years but then it completely withdrew due to which sometimes companies are not able to survive; also there is less government support for the POs in our country which faces challenges in getting licenses like the Agricultural Produce Marketing Committee (APMC) licenses for processing and trading. This is not given to producer companies (PCs) citing the reason that traditional cooperatives already having licenses in many places. Many certificates are given to the cooperatives and there are no provisions by law to provide such licenses to producer companies. Also banks refuse to lend these companies due to lack of guarantees from either Central or State Governments.

Opportunities: Opportunities refer to favourable external factors that an organization can use to give it a competitive advantage. There are various such factors for POs like limited government control as they are free to operate under their own terms and conditions. They can take over the responsibility of any one or more activities in the value chain of the produce right from procurement of raw material to delivery of the final product at the ultimate consumers' doorstep which will benefit the members; they can develop better linkage with other organizations/ companies for support and better marketing; they can dominate the market and fix the price by working collectively and the PCs should promote their producer members to increase the quality of their product to get it easily absorbed in the market.

Threats: It refers to factors that have the potential to harm an organization. The threats for a PO are marketing issues. There is a need to find out innovative ways to market the products. The other threats are - sustainability issues of finding different sources that they can wisely use for income generation; competition with other private companies for retaining the members and providing better quality products; and protecting the company from political interference and ownership.

Conclusions: The POs are a new ray of hope for collectivizing farmers and upliftment of the socio-economic conditions of small and marginal farmer. Due to so many compliances in its registration and establishment, there are less chances of creeping of politics and corruption in its working but the leadership and sustainability are still hurdles. There is a need to aggregate farmers to evolve it to form a productive group and the leaders /CEOs/ board of directors should be given training on how to manage a company/ organization. Knowledge management can also play an important role in it, but since most of the POs are in the beginning stage of their establishment, struggling with financial and sustainability issues, most of them neglect knowledge management. The most lacking part was organization and storage, the knowledge is shared same as it is obtained from a source, the evaluation and validation part is missing which decreases the applicability of knowledge in field condition. So organizations should focus on this part and disseminate any information after

testing. Every organization should have knowledge management set up incorporated in their working system from beginning only; it will provide them guidance in planning activities for members and will provide long term benefit.

Recommendations:

- There is need to organize farmers in productive group with all members required to participate actively in affairs of organization to get maximum benefit.
- The CEOs and directors should be trained about how to run a company and make it sustainable in the long run, there should be provision of such trainings in guidelines for formation of producer organizations.
- There is need to run educational campaigns targeted at producers, about the benefits of producer organizations, proper advertisement by broadcasting should be done by government to encourage more people to join producer organizations.

Complete report on 'Knowledge Management and Producer Organizations' is available at www.manage.gov.in

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