

AN ANALYTICAL STUDY OF MARKETING STRATEGIES OF SELECT FARMER PRODUCER COMPANIES IN NORTH MAHARASHTRA

H. Deshmukh and S. Argade

Savitribai Phule Pune University, Pune, India

K.J.Sommaia College of Arts, Science and Commerce, Kopargaon
abhiyansai@gmail.com

ABSTRACT

Farmer Producer Companies (FPCs) caters to the needs of small and marginal farmers. It resembles a combination of a private organization and a co-operative society. The FPCs helps the farmers in input services, technical services, financial services and marketing services. There are several elements of their marketing strategies such as – use of technology, increased competition, adherence to quality and compliance standards, empowering the farmers, market development, contract farming, improving infrastructure, and an effective regulatory environment. All in all, the marketing strategy creates a transparent and efficient market structure, gives importance to quality and variety, distributes market information to all the members, ensures fair returns, and offers producers choice of time, place and terms for sales.

Keywords: Farmer producer company, auction, marketing, quality, co-operative

Introduction

FPO is a gathering of primary producers and farmers meeting up to seek after common interests of their individuals. Development of FPO/FPC is a course of collectivization of producers, extraordinarily small and marginal farmers, into a formal legitimate company. It has arisen as one of the best pathways to address many difficulties of agriculture – access to markets, quality input sources, innovation applications, improved logistics and public investment. The FPOs, enlisted as FPCs, under the Company Act, 1956, has arose as most suitable institutional organizations to activate farmers, fabricate their ability and altogether influence their creation and promoting strength. As per NABARD, a FPC is a half breed between a private organization and a co-operative Society. It enjoys the advantages of expert administration of a privately owned business and shared advantages got from cooperative society (Anoop Kumar, 2019).

Key services provided by FPCs are: Input services, technical services, financial services and marketing services.

Market design in regard of farming has been unbalanced - significant spotlight on merchants and strong wholesale market foundations for example APMCs, which are a long way from the farmer's farm gates. Throughout the long term, these APMCs have ended up being profoundly administrative and prohibitive in

their market rehearses. It is understood that exchanges at these APMCs among ranchers and brokers and commission specialists is extremely unbalanced with farmers having very little or no dealing powers. Not many farmers have the ability to connect their produce to terminal destinations and intermediate market players deny them from suitable compensations by keeping them outside of the buyer markets. This endless loop has been answerable for denying farmers and essential makers of ideal or market connected value acknowledgment. Consequently, need has been felt of another market engineering which is more farmer amicable and could assist with boosting farmers income.

Literature Review

There is considerable research available on the topic of farmer producer companies. Below are a few abstracts from the recent literature.

Pandian and Madhavi (2019), have posited that, Producer Company is another idea of getting sorted out and joining the farmers under one umbrella to assist them with contending in the market on the whole, by expanding the yield and getting higher net returns for their produce. The farmers are prepared into farm gatherings and their ability is upgraded to transform them into Producer Company. This paper analyzes the cycle associated with framing and sustaining the producer organization and steps taken to accomplish the

strengthening of farmers. Case study strategy was utilized to concentrate on two producer organizations which have been associated with the creation of vegetables. The outcomes uncover those advantages to individuals from the producer organization are essentially higher than non-members and they can acquire a significant benefit of Rs. 2.1 lakhs by marketing their produce.

Jose and Meena (2019), have argued that, the study on services given by farmer producer organizations was done in five organizations of Kerala. From each organization 24 individuals were chosen randomly. Services given by farmer producer organizations to individuals were dissected genuinely. The review uncovered that, if there should arise an occurrence of authoritative administrations larger part of the respondents concurred that practically all organizations gave assistance like getting sorted out farmers for occupational problem diagnosis (92.50%), catalyzing aggregate activity for healing measures (89.17%), limit working through preparing and exposure visit (80.00%), authoritative help as far as building up interior observing framework (86.67%) and admittance to appropriation organization (83.33%). If there should be an occurrence of creation administrations 95.00 percent respondents saw that creation organizations gave top caliber of information sources, 94.16 percent respondents revealed input supply at sponsored rate and 85 percent of the respondents announced that organizations gave input supply at door step.

According to Padmaja et al. (2019), the paper examinations the patterns, examples and execution of Farmer's Producer Organizations (FPCs) in India. We utilized information given by NABARD and SFAC to investigate the patterns and examples. A cross-case examination was done to evaluate the exhibition and to draw derivations on basic normal elements for progress. The review shows that FPCs are arising among other authoritative documents of FPOs. They are noticeable in couple of states, which have empowering climate, ambitious farmers and have a background marked by aggregate activity. The review shows heterogeneity in the item, working, how they work, manage the issues, and systems of FPCs. The paper

proposes building up 'incubators' to handhold and backing FPCs and various modes and classifications for financing them.

Govil et al. (2020), have opined that, 87% of agricultural families in India are small and marginal producers, developing small plots which produce low returns. Their normal month to month pay is Rs 6426, making cultivating on little plots financially unviable. Accordingly, strategy creators and experts are going to producer collectives as a method for advancing the monetary circumstance of small producers.

According to Jose and Meena (2019), farmer producer organizations, or FPCs, are viewed as foundations that have every one of the huge provisions of private endeavor while joining standards of common help with their command, similar to co-operatives. The endeavors for finding financial profile of farmer producer organization individuals in Kerala were completed in five organizations. From each organization, 24 individuals were chosen. Financial profile of organization individuals was investigated utilizing recurrence and rate. Greater part (64.17%) of the respondents had a place with middle income bunch, finished auxiliary schooling (58.33%), had a place with medium family size (79.17%) and claimed minor land size (74.14%). Larger part of individuals were rehearsing dairy cultivating as principle occupation (half), had medium degree of income (60%). Larger part of individuals offering milk to the organization (83.33%) and benefited credit from business banks (70.83%). Among crop creation issues, low cost of farm produce is the serious issue (91.67%) and if there should be an occurrence of milk production issues, low cost of milk (80.83%) was the significant reason.

Moreover, Das (2019), Verma et al. (2019) and Kakati and Roy (2019), have dealt with various aspects of farmer producer companies.

Marketing Strategies

1) Adoption of Technology: Market operating across the state would adopt technology for enabling electronic auction system for transparent price discovery. A virtual market would be established by networking markets, warehouses and cold stores.

2) Increasing competition in auctioning and efficient licensing: Single unified license made applicable for participants, measures to increase the participation and competition in the auction of agricultural produce.

3) Quality and compliance standards for demand creation: Laying down quality standards for various agricultural commodities and for creating infrastructure for sampling and assaying the produce in markets, warehouses and cold storages to facilitate quality-based trading of the produce. Create awareness on quality and compliance and its importance for creating demand in domestic, regional and international markets.

4) Empowering Farmers: Initiate primary value addition and local aggregation to enhance bargaining power of farmers, and improve price realization by encouraging direct marketing from farmers to forward integrated stakeholders. Provide safe storage options through accreditation of warehouses and encourage warehouse-based sales. Enabling farmers decide time and price of sales.

5) Market development: Develop and efficient and effective agricultural marketing information system and establish a reliable information dissemination system. Establish linkages with secondary markets in important commodities to participants in the state. Timely resolution of trade related disputes.

6) Contract Farming: Promote contract farming in the state, and have a single point for registering contract farming sponsors. Reduce barriers in terms of requirement of high deposit amounts.

7) Improve infrastructure: Encourage setting up of warehousing and logistics parks in each of the districts to function as marketing hubs.

8) Regulatory environment: Create level playing regulatory environment for transparent and efficient functioning of agricultural markets (Padmanand et al., 2018).

In summary, the marketing strategy creates a transparent market structure, distinguishes quality and variety, disseminates market information to all the participants, ensures fair returns, and offers producers choice of time, place and terms for sales.

Conclusion

Farmer Producer Companies (FPCs) takes care of the demands and needs of small and marginal farmers. It is a combination of a private organization and a co-operativesociety. It enjoys the advantages of expert administration of a privately owned business and shared advantages got from co-operative society. The FPCs helps the farmers in input services, technical services, financial services and marketing services. There are several elements of their marketing strategies such as – use of technology to get efficient auction prices, increased competition in auction, adherence to quality and compliance standards that help in creating demand at local, regional and international level, empowering the farmers so that to get the bargaining power, market development that helps in efficient dissemination of information, contract farming, improving infrastructure of warehouses and cold storages, and an effective regulatory environment. All in all, the marketing strategy creates a transparent and efficient market structure, gives importance to quality and variety, distributes market information to all the members, ensures fair returns, and offers producers choice of time, place and terms for sales.

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