Sustainability and competitive advantage of Farmer Producer Organizations

Project Proposal Abstract:

Farmer-led organizations are regarded as local actors of global food security. Farmer Producer Organizations (FPOs) are the contemporary form of agribusiness entities, proliferated across India and deliberated for their role in sustainable agriculture & food security. The sustainability of these organizations is subjected to their adoption of stakeholder strategy for cooperation along with collective marketing of member’s produce and business expansion. However, the top-down mobilization of FPOs, the real-time constraints of product marketing, member attitudes toward the core business proposition uniquely restrain the strategic planning process in FPOs. It is important therefore to identify the potential determinants of their performance and develop planning tools that facilitate long term viability of these producer organizations. The aim of this study is to analyse at micro-level the practices, further devising knowledge products and planning aids for FPOs, that are exclusively based on natural farming, in two southern states thereby verifying their capability for sustainable organizational forms.

Duration of project: 24 months

Framework & methods proposed

The Govt of India instituted FPOs as a means to enhance farmer’s income. Given the objectives and the theoretical constructs on these grounds, the following broad hypotheses are planned for this inter-disciplinary and mixed methods research:

(i) FPO data can help improve methods for tracking the demand for agricultural produce and value added products particularly for new and trending products such as natural and organic foods.

(ii) The FPO’s service model helps to balance the internal and external dynamics at various parts of the supply chain and gives an edge to participate in commodity trading as through NCDEX as a business entity

(iii) FPOs can be positively and negatively impacted by network effects

Methods & activities

- Identify multi-dimensional attributes of FPOs from academic literature or cases
- Assessment of ongoing practices- visits, interviews
- Develop methodology for assessing the attributes
- Finalizing and validating the attributes
- Identifying agents and their activity space towards capturing stakeholders interactions in the value chain
- Develop a pilot agent-based model
- Pilot based on Tamil Nadu case study
- Validated with a case study in Andhra Pradesh
- Validate the model and make revisions as necessary
Expected Outputs

- Farmer producer organizations’ practices captured and multidimensional assessment system in place
  - Scorecard enabling and global and regional overview of measuring and ranking sustainability
- Gaps in knowledge are addressed through participatory modelling exercises
  - Tools contributing to research and theory building
  - Website serving as a practical guide alleviating communication barriers
- Dynamism in adopting technologies and tools are mapped to their growth
  - Integrating apps for operations to facilitate better tracking
  - Leveraging risk management tools, be it for climate, soil health or market access

Relevance of the proposed study for society

Farmer Producer organizations are regarded as social rural enterprises. In-situ studies on these enterprises spanning their upstream and downstream operations would aid in their self-standardization principles and long term sustainability in various dimensions. Also the participatory modelling of studies is to make the producers understand their integrity with core business activities thereby improving their quality of life and access to new marketing environments.

Proposed Budget: 50 lakhs (across 2 years)