

## “THE POSSIBILITIES AND CHALLENGES OF FARMERS PRODUCER ORGANIZATION FOR THE GROWTH OF FARMERS INCOME IN BIHAR STATE”

**Dr.Sharad Dixit,**

Assistant Professor,  
Depart. Of Economics,  
C.S.J.M.U.,Kanpur Nagar.

**Dr.Dhruv Dataa,**

Assistant Professor.  
Depart. Of Economics,  
Janta Maha Vidyalyaya,  
Ajeetmal Auriya

### ABSTRACT

India is primarily an agriculture dominated country and agriculture is the largest and the very important industry in India in terms of livelihood and employment. Nearly 67 percent of the people in India depend on agriculture for their living and it is the backbone of Indian economy. Agriculture in India is small farm driven activity. The holding of average farm size in India has been rapidly declined from 2.3 hectares (ha) in 1970-71 to 1.08 ha in 2015-16. However the share of small and marginal farmers increased from 70 per cent in 1980-81 to 86 per cent in 2015-16. At the same time in different states holding of average size of farm land in 2015-2016 is ranging between 0.18 ha in Kerala, 0.39 ha in Bihar, Uttar Pradesh having 0.73 ha, Tamilnadu having 0.75 ha to the level of 2.22 ha in Haryana, 2.73 ha in Rajasthan and 3.62 ha in Punjab. In Bihar 90% of all land holding are below 1 acre land and average size of farm land holding is one of the lowest in the country. Most of the farmers in Bihar do not have accesses of consumer market and selling their farm yield to local intermediaries. this reduces their profit margin in turn it makes agriculture business non-viable. In India Farmers face various institutional and technological issues such as unable to understand the true worth of their produce. The absence of adequate marketing infrastructure, presence of middle man, lack of collectivization effort leads to grabbing less marketing opportunities and earnings.

### INTRODUCTION

India is primarily an agriculture dominated country and agriculture is the largest and the very important industry in India in terms of livelihood and employment. Nearly 67 percent of the people in India depend on agriculture for their living and it is the backbone of Indian economy. Agriculture in India is small farm driven activity. The holding of average farm size in India has been rapidly declined from 2.3 hectares (ha) in 1970-71 to 1.08 ha in 2015-16. However the share of small and marginal farmers

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viable. Although agricultural contribution to GDP has declined over the years, agricultural marketing continues to be the mainstay of the Indian population, with more than 50 percent of the population dependent on agriculture. The Government of India under the Department of Agriculture has also established certain commodity boards and export councils to monitor and increase the production, consumption, marketing and export of various agricultural products. Some of these organizations / boards are Cotton Corporation of India (CCI), Jute Corporation of India (JCI), Tea Board, Coffee Board, Spice Board, National Horticultural Board (NHB), National Agricultural Cooperative Marketing Federation (NAFED), Agricultural and I-Processed Development Products Export Development Authority (APEDA) etc. Many agricultural commodity markets generally operate under the general demand and supply chain.

## PROBLEM STATEMENT

Number of study have been conducted both by private and official researcher to know about this Farmer Producer Organisations. These studies have indeed improved our understanding about various aspects of the FPOs and its functioning. However there are certain areas such as location specially state of Bihar and social-economic characteristics of the farmers covered under the FPOs in Bihar, which have not been adequately analyze- theses aspect are likely add new dimension and therefore need to be analyze. In this sense the present study is conducted against this background with the following purpose. Therefore the main objective of present study are To study basic structure and analysis of performance of Farmer Producer Organization (FPO) in Bihar To analyse the impact of FPO on farmers Income To Examine present Functioning of FPO in Bihar To identify the main issues and suggest strategy for future improvement of FPO

## SCOPE OF THE STUDY

The scope of present study is limited in term of it is relevance for macro policy implication. However like any other micro level study present study has been design to be capture impact of specific socio – economic characteristics of the respondent and the functioning of Farmers Producer Organizations. This will also provide a basis for comparing these characteristics and special feature (if any) with the micro variable. The study is expected provides new inside about the problem under references which intern can enrich our understanding about micro issue and policy. This research focuses on analyzing the levels of knowledge and acceptance of members and non-members of FPO in specifically farmers of Bihar. The main emphasis of the study was around the functional aspect. A detailed study of the effectiveness and functioning of FPOs will help to understand the role of FPOs in improving the socio-economic conditions of the agricultural community.

## LIMITATION

The main limitation was about study time duration. Other factors, which require lessons and time-dependent observations, were not studied as it was a student study restricted by money and time. The findings of the study are based on the opinion of respondents. The focus will therefore be limited to the level of credible feedback from respondents. Although the data were viewed from the other side to minimize error, it is true that the research results may only be relevant to the area in which the study was conducted and this should be considered when conducting results in a large area. It would not be appropriate to do all the research findings in unconditional areas such as the study project. Without the above limitations, no effort is made to make the study as meaningful and orderly as possible.

## STATE OF AGRICULTURE IN BIHAR-

Bihar is the third largest province after UP and Maharashtra. It is called land of farmers and has many people who depend on agriculture for their

livelihood. According to the 2011 Census, 88.70 percent of the population live in rural areas where agriculture is a major occupation. The population is expected to reach 20 crore by 2025. Agricultural development is an important part of global economic development. At the time of independence, agriculture was the main source of national income and employment in India. Therefore, it is the basis of any development. Bihar is located in the eastern part of the country (between 83 ° -30 'to 88 ° -00' longitude). It is a completely closed world, although the seaport through Kolkata harbor is not far away. Bihar is centrally located between the humid West Bengal in the east and sub humid Uttar Pradesh in the west which gives it a temporary position in terms of climate, economy and culture. It is bound by Nepal in the north and Jharkhand in the south. The plateau of Bihar is divided into two unequal sections along the Ganga River, which flows inland from west to east. A total of 621635 hectares are covered with forests. Bihar is divided into 38 regions, 101 Sub categories, 534 Blocks and 8463 Panchayats. The population of Bihar in 2001 was 82878796 comprising 43153964 males and 39724832 females. It makes up 8.06% of the population of India. The population of the State was 880 / km<sup>2</sup>. Agriculture is an important source of wealth in Bihar. 76% of its people are engaged in agricultural activities. Bihar is endowed with fertile Gangetic alluvial soils with abundant water resources, especially groundwater sources. With different soil types associated with different agricultural areas, farmers in the province grow a variety of crops. Apart from grain, the state produces pulses, oil seeds, fiber crops, sugarcane, fruits, vegetables and other small food crops. Recently there has been a variety of crop production, including the introduction of floriculture in many districts of the state, taking into account growing needs. It covers an area of 93.6 hectares of land with three important agricultural areas - North-West, North-East and South. The North West region has 13 regions. The area receives an annual rainfall of 1040-1450 mms. The soil is mostly loam and sandy loam. The area north-east has 8 districts. The area receives rainfall ranging from 1200-1700 mms.

Finally, the 17-region South-Zone receives an average rainfall of 990-1300 mms and the soil contains sandy loam.

## CROP PRODUCTION IN BIHAR

Bihar is one of the top 5 rice and wheat producers in the country and topped in the yield rate of rice. State is the 3rd largest producer of vegetables, which is mainly consist Potato, Onion, Egg plants, Tomato, Brinjal and Cauliflower. Total vegetable production in Bihar is about 156.29 lakh tonnes. In the fruit production, largest producer of Litchi and third largest producer of pineapple, other fruits are mainly Banana, Guava and Mango produced in Bihar. In 2013- 14, their production levels were mango (12.74 lakh tonnes), guava (2.39 lakh tonnes), litchi (2.34 lakh tonnes) and banana (14.36 lakh tonnes). State also producing large scale of flower which is mainly rose, marigold and jasmine. In 2013-14, about 99 tonnes of rose, 6799 tonnes of marigold, 317 tonnes of jasmine (Bela) and 536 tonnes of the tuberose were produced in Bihar. Table 1.4 Cropping Pattern in Bihar S.No Foodgrain Production (Tonnes)

Position 1	Rice	7,529,300	5	2	Wheat	5,357,200	6	3
	Vegitables	16,325,700	3	4	Sugercane	12,741,400	6	5
	Litchi	380,000	1	6	Mango	1,253,500	4	7
	Banana	1,702,400	6					

(Compiled from data of Directorate of Statistics) 31 Figure 1.2 Crop wise share in Total Agriculture Output (Source: Agriculture Report, GOI) Figure indicate Crop wise share of agriculture and allied between TE 2002-03 to 2005-16. Only contribution of livestock and others gains and all others has been decreased. Figure 1.3 Crop Production over the Years in Bihar

## OPPORTUNITIES

By providing high quality seeds and planting material to farmers the overall production can be easily increased 2-3 times. The region gets good rainfall and the water table is high. By adopting appropriate water management practices the whole agricultural land can be transformed into irrigated land, where significant benefits can be derived from the quality

of improved varieties. The area has great potential for growing quality fruits and vegetables. This region has a high population density. By adopting scientific methods of production, efficient use of agricultural workers and the use of appropriate post-harvest technology at the farm / village level, the production of horticultural crops can increase many folds. The region has a good opportunity for seed processing activities in manufacturing cities to increase income and employment and eradicate hunger and poverty. With the support of appropriate infrastructure, the region can emerge as a major supplier of agricultural products and can offer its product to major regional markets nearby. The availability of high variety seed will encourage the production of high value plants.

## WEAKNESS

The average effective catch size is only 0.75 ha, further divided into 3-4 parcels. This makes farm operations difficult and economically unsustainable. The human pressure in this area is very high. The population is 1102 / Sq.Km. compared to the national average of 382 / Sq.Km. Due to overcrowding and limited resources, the majority of the population is dependent on agriculture and the percentage of people below the poverty line is 42.60% compared to the national average of 26.10%. Although there are Directors of Agriculture, Horticulture, Fisheries and Animal Husbandry, their additional activities by informing people about new technologies, conducting camp demonstrations, conducting training programs and providing the latest information to farmers are even worse. The State does not have a clear goal of promoting and promoting the use of quality seeds of improved varieties in various crops, which is a great benefit to the state's agricultural sector. Although about 70% of villages are electrified, electricity is not available for more than ten hours a day. Farmers cannot depend on the availability of electricity for irrigation and other agricultural activities and rely on diesel engines

## AGRICULTURE POLICY OF GOVERNMENT OF BIHAR –

The new Agricultural Policy was developed by the State Government in 2006, to get benefits on the environment basis the which State has in agriculture. Its fertile land, abundant and fertile water sources climatic conditions show significant potential in the agricultural sector. Apart from this, production in Bihar comparatively poorly with other provinces. Therefore, the core of the new agricultural policy in Bihar is to focuses on growth in crop production, not just in comparison with national average but compared to the best production level achieved in any province in India. Following the major programs taken by the State Government in the last one year: Food security, Increased farmer income, Increased crop production and Environment conservation is planned as the four principles of the new agricultural policy regime. Agriculture Technology Management Agencies have been set up in 23 State districts that did not have their own ATMA inclusion under the centralized sponsorship scheme. Thus, all the regions of the state now have facility of ATMA. A project to establish soil testing laboratories in all 534 blocks in state was authorized, to bring soil testing facilities to the farmers' entrance. 31 New seed testing laboratories established to supply each region with its own seed testing laboratory. The Chief Minister mission of Horticulture has been established in the 19 districts which was not covered under the National Horticulture Mission, thus making the program available to all. Micronutrient testing laboratories have been established in 3 districts of the State. Rajendra Agricultural University Research have been strengthened and Education Infrastructure and been developed. Bihar State Seed Corporation has been revitalized, and seed production has started by 45 agricultural farms were inactive. Agricultural Production Marketing Board has been abandoned. Farmers Commission established. A Land Reform Commission has been established.

## POLICY SUGGESTIONS FOR FPO IN BIHAR

Some of the key policy measures and other proposed reform should be initiated by state Government and other stakeholders like NABARD, SFAO, NGO etc in the expansion and strengthening of the FPO movement in the country, could be under:

1. FPOs can improve their financial performance by managing their operating finances, better debt management and increasing their sales.
2. FPOs should use their well-defined resources to maximize their profits and should increase their market share to increase their efficiency.
3. FPOs can promote diversity in their membership which helps to share risk and provide diverse ideas and skills to work better.
4. There is a need for greater acceptance of the importance of connecting with other potential actors for potential sources of services, information, technical support and marketing opportunities.

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