

### Producer Organizations (POs) and extension: The road ahead

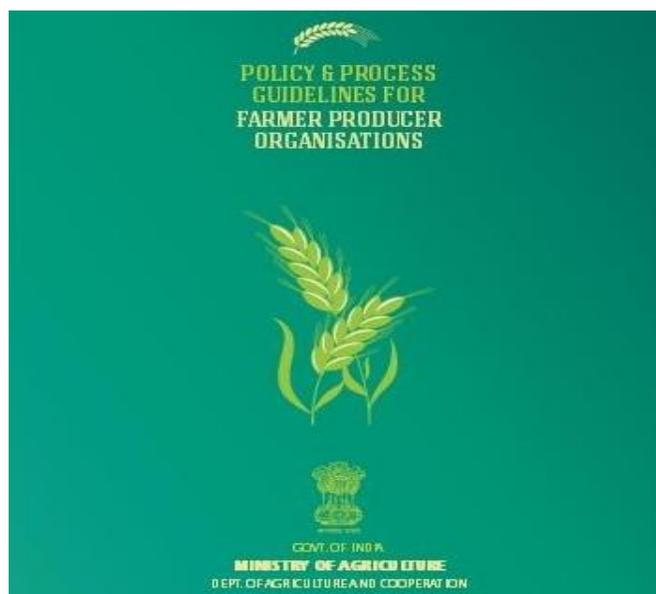


*Farmers are organizing their own support systems including extension delivery through forming their own organizations to access information, advice and support on production and marketing. It is time to recognize the contributions of producer organizations and enhance their capacities to provide a much wider range of services to producers, argues, Dr Mahesh Chander.*

Producer Organizations (POs) are successfully strengthening the economic position of their members by providing agricultural inputs, credit, processing and marketing services (Narayanan and Gulati, 2002). Organizing farmers into specific producer groups also improves the effectiveness and efficiency of agricultural extension systems in supplying relevant commodity or product-specific information and training directly to farmer groups who are producing particular crops or products (Swanson, 2008). Globally, POs are also increasingly recognized as an important actor in the Agricultural Innovation System (Heemskerk & Wennink, 2005; Shapland & Kampen, 2006; Rondot and Collion, 2005; FAO, 2010).

### Producer Organisations in India

In India too, organizing producers, especially the small and marginal farmers is considered as one of the most effective pathways to address some of the most important challenges in agriculture. For instance, during the 12<sup>th</sup> Plan period (2012-2017), the Small Farmers' Agribusiness Consortium (SFAC) aims to further promote POs (GOI, 2013). The Government hopes that this will foster technology penetration, improve productivity, enable improved access to inputs and services and increase farmer incomes.



Similarly, the Ministry of Agriculture has identified farmer POs registered under the special provisions of the Companies Act, 1956 as the most appropriate institutional form around which to mobilize farmers and build their capacity to collectively enhance their production and marketing strengths. It also involves linking POs directly to market opportunities to enable integration in the agriculture value chain and create direct producer consumer supply chains. These developments have important implications for extension.

### **Box 1: Producer Organisations**

Farmers' and rural producers' organizations refer to independent, non-governmental, membership-based rural organizations of part or fulltime self-employed smallholders and family farmers, pastoralists, artisanal fishers, landless people, women, small entrepreneurs and indigenous people. They are based on principles of non-discrimination, provide a range of services for their members, including market opportunities and empower all their members, women, men and youth. The POs are grounded on the principle of collective action among potential beneficiaries. Collective action occurs when individuals voluntarily cooperate as a group and coordinate their behavior in solving a common problem. These can assume a variety of forms, from small, grassroots associations to unions, federations and chambers of agriculture. They range from formal groups covered by national legislation, such as cooperatives and national farmers unions, to looser self-help groupings and associations (FAO, 2007).

Basically POs cater to the producers' interests and their varied needs and organize activities that help strengthening the capacities of their members to deal with production and marketing challenges. POs could be a farmer associations around a commodity (eg: Maharashtra State Grapes Grower Association) or around an activity like water management (eg: *Pani Panchayats*); a producer co-operatives (eg: milk cooperatives promoted by the National Dairy Development Board); or a producer company (eg: Vanilla India Producer Company Limited (VANILCO)). The major types of producer organizations active in India are discussed hereunder:

### **The Grower Associations**

Many commodity oriented (fruits, vegetables, sugarcane, banana, etc.,) grower societies are functional in India, which help farmer members in getting the latest information and technology. For instance, the Maharashtra State Grapes Grower Association maintain regular contacts with research centres working on grapes to access information and technologies related to grape farming and organizes educational programmes for its member farmers. They also support grape growers in developing integrated plant protection schedule against pest and diseases and implementing measures to reduce pesticide residues to facilitate exports. The Association organizes a number of seminars and conventions to educate growers and engage in policy advocacy on behalf of growers and also for strengthening the grape sector.

### **The User Associations**

User groups are common in the area of participatory irrigation management, watershed management and community forest management. For instance, in Odisha, the Orissa Farmers Management Irrigation Act provides for the establishment of farmers organizations in all the irrigation systems, for their operation and maintenance. The Act enables farmers' participation, not only at a lower level but also in a restricted manner at the main system level. The farmers' collective action is enabled through the

formation of *Pani Panchayats* whose office bearers are elected through a democratic process. The Act also provides for the autonomous management of the irrigation system by producer organizations in their respective areas for both the maintenance of the system and for the distribution of water. In some state, the *Pani Panchayats* could orient farmers to adopt the best water management practices; understand the collective management systems in crop planning, water distribution and conflict resolution and develop an action plan for strengthening learning.

### **The Farmer Cooperatives**

The cooperatives especially in the dairy sector have organized an effective extension delivery system in India. Extension activities are undertaken at the level of the Dairy Cooperative Societies and the milk unions to create awareness about improved animal husbandry practices. For instance, the Anand Milk Cooperative Union (AMUL) in Gujarat organizes field demonstrations and extension camps to promote better feeding practices, fodder development and clean milk production practices among milk producers. Dairy cooperatives exist in many states and are owned by about 15 million farmer members, out of which over 4 million are women members.

### **The Farmer Interest Groups (FIGs)**

A Farmer Interest Group (FIG) is a self managed, independent group of farmers with a shared goal and interest. Commodity oriented Farmer Interest Groups (FIGs) are promoted by the Agriculture Technology Management Agency (ATMA) at block/village level to make the technology generation/dissemination farmer-driven and farmer-accountable. These Village level FIGs are ultimately federated at block/district level and they are represented in Farmer Advisory Committee and ATMA General Body (GB).



**Purander Block in Pune has more than 2000 hectares under custard apple. Agricultural Technology Management Agency (ATMA) Pune has formed several Commodity Interest Groups (CIGs) of custard apple growers and supported establishment of centres for semi-processing**

## The Farmers` Clubs

The NABARD has assisted formation of 54,805 farmers' clubs across the country. These clubs are organised by rural branches of banks with the support and financial assistance of NABARD for the mutual benefit of the banks concerned and the village farming community/rural people. The broad objective of setting up Farmers' Clubs is to achieve prosperity for the farmers with overall agricultural development in its area of operation by facilitating credit counseling, technology counseling and market counseling. The NABARD provide a financial assistance of Rs.10,000 to each club per annum for three years. The club members were expected to utilise this amount to meet routine expenses for formation, maintenance, and organising awareness meets.

## The Producer Companies

Producer company means a body of corporates having objects or activities specified in section 581B of companies Act, 1956 and registered as producer company under this Act [S.581A(1)]. The concept of Producer Companies was introduced in India in the year 2002, and about 500 Producer Companies are registered till date. To support POs in forming Producer Companies, the NABARD (National Bank for Agricultural and Rural Development) has also established Producers' Organization Development Fund (PODF). This fund is used for promoting organizational and skill building exercises, organizing meetings of the experts, organizing for tie-ups with the various agricultural universities, etc. Indian Organic Farmers Producer Company Limited, Vanilla India Producer Company Limited, Rangсутra Craft Duniya Producer Company Limited, Masuta Producer Company Limited, and ESAF Swasraya Producer Company Limited are some of the successful producer companies established so far in India.



**PRADAN (Professional Assistance for Development Action) facilitated development of several producer companies in India. The Madhya Pradesh Women Poultry Producers' Company Limited is one among them. It started this by organizing small interest groups who were then trained in poultry rearing and management practices. Later they were organized to form co-operatives and subsequently brought under the producer company.**

The POs discussed here are only a few illustrative ones which have role in extension services delivery to farming communities. All POs, however, may not be equally effective or focused on extension delivery. Other than the POs discussed above, there are other farmer organizations that lobby for

government support like input subsidies, price support and other favourable policies in support of farmers. For instance, *Shetakari Sanghatana* (a non political union of Farmers) works towards freedom of access to markets and technology. Similarly, the *Bharatiya Kisan Union* negotiates for fair deals to farmers on land acquisitions and reduction in toll tax. Such organizations have deep influence on the farmers' they represent and can potentially play an important role in technology promotion and market development.

## The Way Forward

- Experience shows that POs represent the interest of their members and have the potential to articulate their need for agricultural services. Extension organizations should therefore collaborate with them in their activities. Partnering with POs would improve knowledge promotion, adaptation and its eventual use. It also helps extension to assess better the priorities of farmers. Many POs need support to develop their capacities to serve farmers better especially in promoting adoption of new technologies, stimulate learning and develop entrepreneurial skills.
- Extension should also help in promoting producer organizations. POs need to be built on a strong foundation of producer initiative and ownership and they need long term efforts and provision of hand holding support. The public extension system traditionally has very limited skills in this area and therefore it should partner with others (mainly NGOs who are often skilled in social mobilization and market development) in supporting their development and improving their links to markets.
- Extension should develop its own capacities related to development of producer organizations and these include capacities related to organising, sustaining and federating POs to take up new extension and advisory service tasks in agriculture and linking them to new source of knowledge and services); facilitation (facilitating discussions, enabling consensus building and joint action, accompanying multi-stakeholder processes); ,mediating in conflicts (by improving dialogue and helping to reach agreement); negotiating (helping to reach a satisfactory compromise or agreement between individuals or groups and developing negotiating capacity among other stakeholders); brokering (creating many-to-many relationships among the wide range of actors) etc.

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