

Ryot Empowerment: Giving effective voice to rural producers through FPOs

Farmer producer organisations have truly taken off. Now's the time to create their own lobbying platform.

4

SHARES
Email

Share to Facebook

Share to Twitter

Share to Google+

Share to

Written by Pravesh Sharma | Published: March 9, 2017 2:14 am



Farmer-members of the Pimpri Gawali farmer producer organisation in Ahmednagar district of Maharashtra. (Photo: Partha Sarathi Biswas)

In the summer of 2011, as the managing director of the Small Farmers' Agribusiness Consortium (SFAC), an autonomous society under the Union Agriculture Ministry, I addressed a group of Uttar Pradesh government officials in Lucknow. My hosts politely sat through my presentation and near-evangelical pitch, as I pushed the idea of promoting farmer producer organisations (FPO) as a means to overcome a host of challenges confronting small and marginal cultivators – from fragmentation of holdings to inadequate access to credit, technology, extension services and markets. At the end of it, the senior-most official present remarked: “It’s a good idea, but won’t work in UP.”

Watch What Else Is Making News

But over the next five years, more than a hundred FPOs were mobilised in UP, even with the state government's reluctant backing initially. The skepticism changed to growing interest when many of these organisations began to demonstrate vibrancy and innovation in arranging inputs, sharing technology and even seeking out markets.

Just a few months ago, the state-owned UP Bhumi Sudhar Nigam signed a loan agreement with the World Bank for mobilising a fresh batch of 300 FPOs, besides strengthening the already existing ones.

Across India, almost 3,000 FPOs have now either been registered or are in advanced stages of mobilisation. The National Bank for Agriculture and Rural Development has set a target of promoting another 5,000 in the next three years. The likes of World Bank and Asian Development Bank, too, have incorporated FPO development as a standard feature in several agricultural intervention projects that they are funding.

And yet, the mood at a conclave last week in the national capital, to review the state of play in the FPO universe, was rather somber. The participants included a few earthy farmers, always carrying their ready smiles and endless patience, bankers, private sector executives, a couple of academics and the usual suspects: NGOs and representatives of international donors. Government officials, even though invited, were absent.

The meeting was also called to discuss another idea whose time may have come: creating a national-level association of FPOs as a lobbying platform. There was total consensus on the fact that despite the impressive growth in their numbers, a breakthrough moment has eluded FPOs. While not many question the rationale of FPOs, government policy, though, continues to be oriented around individual farmers and subsidy schemes that are poorly targeted, leakage-prone and offer enormous patronage/rent-seeking opportunities. Farmers have enthusiastically supported FPOs. But they have every reason to wonder whether this institutional arrangement, too, might end up as a passing fad of civil society activists and some well-meaning government officials – just as cooperatives and self-help groups were in the past. The question is: how do FPOs register their potential power to transform India's agriculture with policymakers, academics, market players and the general public?

This was the genesis of the idea to create a lobbying platform for taking the FPO message to a wider audience.

Such as body would, first and foremost, help build the national profile of FPOs.

There is even now an amazing lack of appreciation at senior policymaking levels of the need for supporting aggregation of producers across the agriculture sector. Such inadequate knowledge and understanding is no less widespread in the private sector, media and academia. The proposed national-level association can help showcase both the potential and achievements of FPOs; enlist partners across the spectrum of public, private and civil

society institutions; lobby for policy action; and undertake all the necessary tasks of alliance building, similar to what the Confederation of Indian Industry or Federation of Indian Chambers of Commerce and Industry do.

Most important, the national-level body would help create a support structure for FPOs to identify pathways towards scale and sustainability. A detailed mandate and working agenda will, of course, emerge through consultation and feedback from FPO members themselves and other stakeholders. This aspect of its work can be broadly modeled on the role played by the National Dairy Development Board during the Operation Flood programme that involved support to dairy cooperatives from the village to the apex level. Consolidation of business operations for FPOs – covering everything from provisioning of inputs and finance to primary, secondary or even tertiary processing, marketing, product branding and exports – is also a tremendous opportunity waiting to be tapped. These are areas that can be explored through a national-level organisation.

Fortunately, unlike in the past, the role of the private sector is seen as being supportive, and not inimical, to the growth of FPOs. The economies of scale that FPOs embody – which is as opposed to dealing with scattered small individual producers – opens up many avenues for partnership. Also, consumer preferences in the medium term will increasingly be influenced by common global concerns, like food and environmental safety, equity and social impact. Given the intrinsically equitable character nature of the majority of FPOs, a social brand can be built and leveraged around the theme of a direct connect between producers and consumers.

This is where the proposed association can play a useful role.

Ultimately, only a stakeholder-driven effort is likely to engender and sustain a truly inclusive organisation. While a number of entities outside the immediate FPO universe can facilitate and support this process, it's essential DNA must reflect the core priorities of its farmer-members. The time is ripe to incubate such an institution.

The writer, an ex-IAS officer, currently promoting a start-up and a visiting senior fellow at ICRIER, is associated with efforts to create a national association of FPOs