



**NABARD**

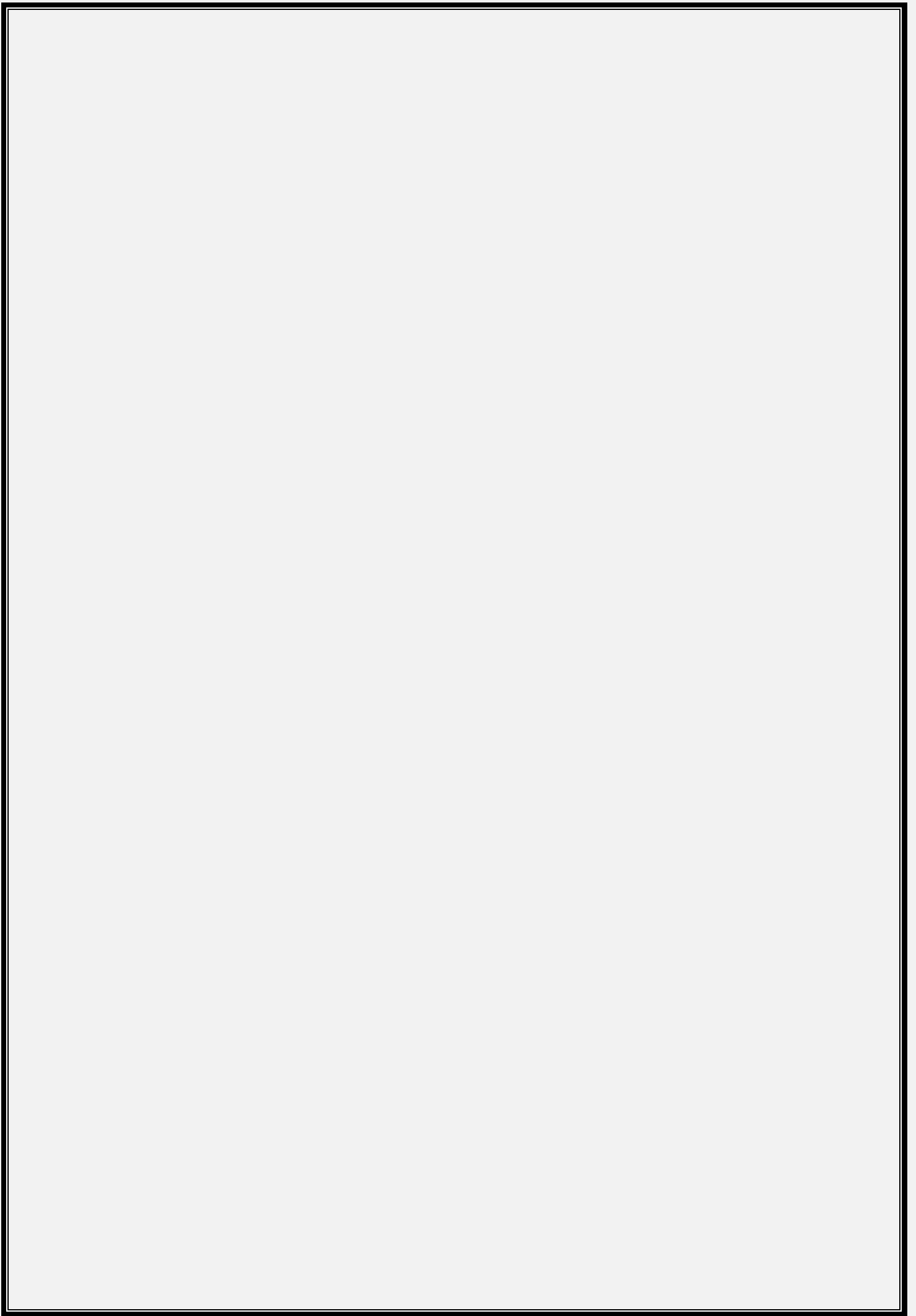


# Impact Evaluation Study of Farmer Producer Organisations (FPOs) promoted by NABARD in Telangana

**JULY  
2025**



Submitted by,  
Association for Innovation Development of Entrepreneurship in Agriculture  
(a-IDEA) - Technology Business Incubator  
ICAR- National Academy of Agricultural Research Management  
Rajendranagar, Hyderabad - 500 030, Telangana  
with funding support from  
National Bank for Agriculture and Rural Development (NABARD)  
Regional Office, Telangana



# **Impact Evaluation Study of Farmer Producer Organizations (FPOs) promoted by NABARD in Telangana**



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Entrepreneurship in Agriculture (a-IDEA) -  
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Management  
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July 2025**

## **Disclaimer**

This document has been prepared by a-IDEA (Association for Innovation Development of Entrepreneurship in Agriculture), ICAR-NAARM, Hyderabad based on the field study by a project team.

The study report has been prepared based on field study and feedback received from various stakeholders involved in the promotion of Farmer Producer Organizations in Telangana. While NABARD and a-IDEA has undertaken all efforts to ensure the accuracy of information, errors and omissions cannot be ruled out.

The views expressed in the report are that are of the study team. It does not necessarily represent the policy or views of National Bank for Agriculture and Rural Development (NABARD) or a-IDEA.

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## FOREWORD

I am pleased to present the *Impact Evaluation Report on NABARD-Supported Farmer Producer Organizations (FPOs) under the PODF-ID initiative in Telangana*, a timely and insightful assessment undertaken by a-IDEA, an arm of ICAR–NAARM, Hyderabad, with the support of NABARD Telangana Regional Office.

In recent years, NABARD has been at the forefront of promoting FPOs as a transformative model to empower small and marginal farmers. Through collectivization, these institutions aim to enable farmers to access inputs at reasonable cost, production at scale, build stronger market linkages, and ultimately enhance their income and livelihood security. The PODF-ID initiative, in particular, has been instrumental in enabling FPOs to access working capital and term loans at concessional rates facilitating growth and self-reliance in a competitive agri-market landscape.

This report is the outcome of a rigorous, evidence-based evaluation covering 14 representative FPOs across Telangana, involving direct engagement with over 700 farmer members and multiple stakeholders. It offers valuable insights into the organizational structures, operational strengths, governance practices, financial viability, and social impact of these FPOs.

What makes this document particularly significant is its forward-looking approach. Beyond evaluation, it provides actionable recommendations to strengthen policy, improve implementation, and foster a more resilient and inclusive ecosystem for FPOs. It is a valuable tool for policymakers, financing institutions, development practitioners, and other stakeholders working toward rural transformation.

I take this opportunity to commend the efforts of the a-IDEA team, led by Dr. Senthil Vinayagam and supported ably by field experts and research associates, for conducting this comprehensive study. I also express my gratitude to the 14 FPOs, their member farmers, POPIs, and our colleagues at NABARD for their wholehearted cooperation during the evaluation process.

It is our sincere hope that the findings of this report will contribute meaningfully to shaping future strategies for the development of FPO ecosystem, not only in Telangana but across the country.

**B. Uday Bhaskar**  
**Chief General Manager**  
NABARD, Telangana Regional Office  
Hyderabad

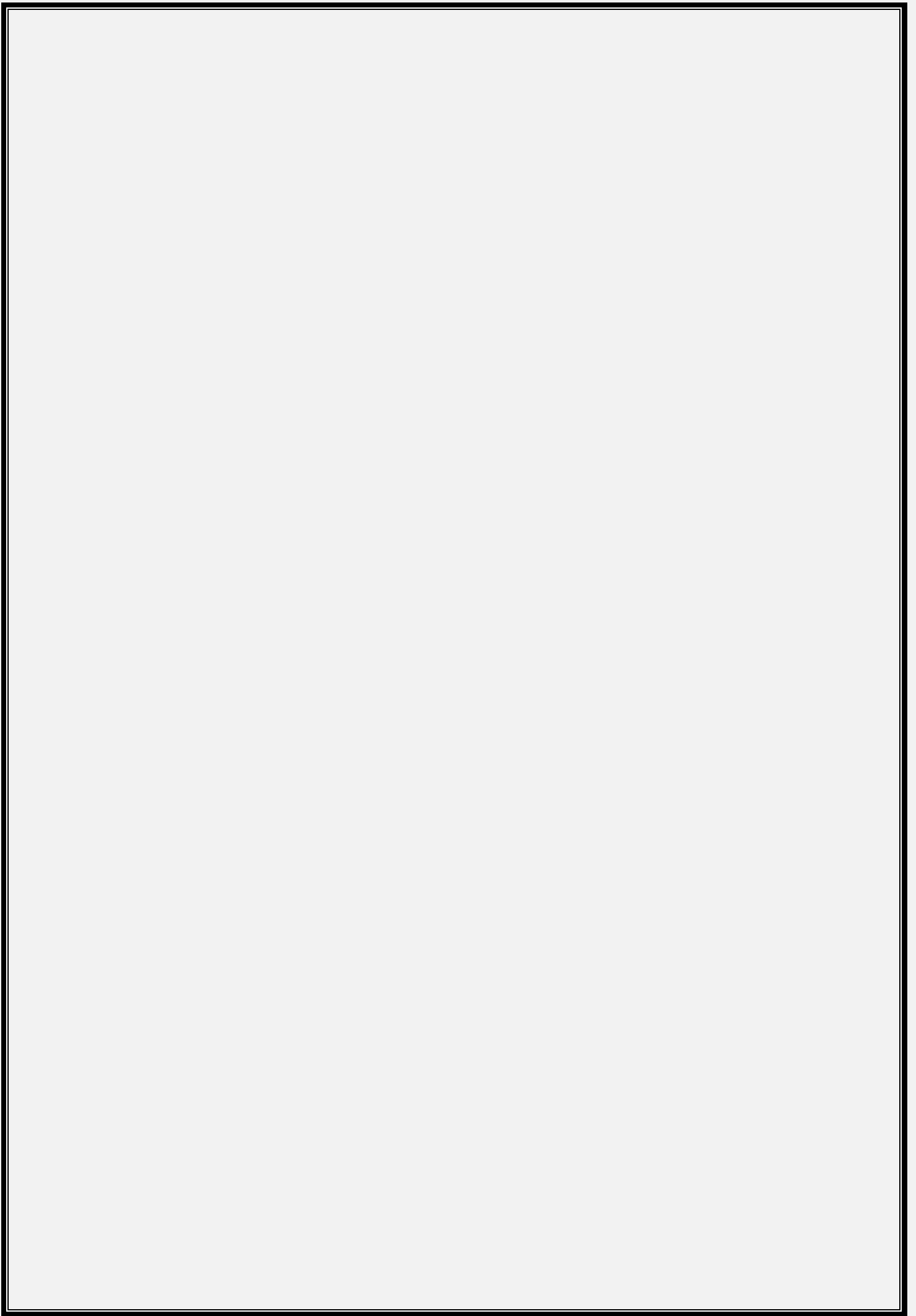




## FOREWORD

I am pleased to share this *Impact Evaluation Report on NABARD-Supported Farmer Producer Organizations (FPOs) under the PODF-ID initiative in Telangana*, carried out by a-IDEA, the Technology Business Incubator of ICAR-NAARM, with the support of NABARD Telangana Regional Office. This report provides useful insights into the functioning, performance, and challenges of FPOs across the state. The findings highlight the potential of FPOs in improving farmer incomes, building market linkages, and encouraging collective enterprise, while also identifying key areas such as credit access, infrastructure, and governance that need attention. At ICAR-NAARM, we are committed to supporting such evidence-based initiatives that contribute to strengthening farmer institutions. I congratulate the a-IDEA team and all stakeholders involved in this timely and relevant study, which I believe will be of great value to policymakers, practitioners, and development partners working to build a more inclusive and sustainable rural economy.

**Dr. Gopal Lal**  
Acting Director  
ICAR-NAARM, Hyderabad



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## **List of Abbreviations**

|         |   |
|---------|---|
| AIF     | Agriculture Infrastructure Fund                                   |
| BOD     | Boards of Directors   |
| CEO     | Chief Executive Officer   |
| CBBO    | Cluster Based Business Organizations                              |
| DFI     | Doubling Farmers' Income  |
| GOI     | Government of India   |
| GST     | Goods and Service Taxes   |
| IEC     | Information, Education, and Communication.                        |
| KVK     | Krishi Vigyan Kendra  |
| MIDH    | Mission for Integrated Development of Horticulture                |
| MKSP    | Mahila Kisan Sashaktikaran Pariyojana                             |
| NABARD  | National Bank for Agriculture and Rural Development               |
| NAFED   | National Agricultural Cooperative Marketing Federation of India   |
| NRETP   | National Rural Economic Transformation Project                    |
| NRLM    | National Rural Livelihoods Mission                                |
| FPC     | Farmer Producer Companies   |
| FPO     | Farmer Producer Organizations                                     |
| PMFME   | Pradhan Mantri Formalisation of Micro Food Processing Enterprises |
| PODF-ID | Producer Organization Development Fund - Interest Differential    |
| POs     | Producer Organizations  |
| RKVY    | Rashtriya Krishi Vikas Yojana                                     |
| SDGs    | Sustainable Development Goals                                     |
| POPI    | Producer Organisation Promoting Institution                       |
| SFAC    | Small Farmers' Agri-Business Consortium                           |
| TGRO    | Telangana Regional Office   |

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We extend our sincere gratitude to NABARD, Telangana Regional Office (TGRO), Hyderabad for entrusting us with the project titled "Impact Evaluation of NABARD-Supported Farmer Producer Organizations (FPOs) Under PODF-ID in Telangana: Assessing Outcomes, Challenges, and Sustainability." This study would not have been possible without their invaluable support and collaboration.

We are especially thankful to Shri B. Uday Bhaskar, Chief General Manager, NABARD, TSRO for his insightful suggestions and encouragement that guided the successful execution of the study. We also acknowledge the invaluable guidance provided by Shri R. Ganapathy, General Manager, and the consistent support extended by Smt. Deepthy Sunil, Deputy General Manager and Ms. Jisha Vadakkumparambil, Deputy General Manager who provided critical data and facilitated smooth coordination throughout the project. Our sincere thanks also go to Mr. Subrat Kumar Sahoo, Assistant General Manager, and Mr. Ananthagiri for their support in all phase of the study. We also thank all the respective DDMs for their timely assistance and cooperation.

We express our heartfelt appreciation to the 14 Farmer Producer Companies (FPCs), their POPIs, Board of Directors (BoDs) and Chief Executive Officers (CEOs), and most importantly, the farmers who willingly shared their time, experiences, and data during field surveys and interviews. Their inputs have been central to this evaluation.

Our thanks also extend to the ten internship students from SV Agricultural University, Tirupati, whose enthusiastic participation greatly contributed to the field survey. We appreciate the diligent efforts of our data entry team for their accuracy and timeliness, as well as Mr. Venkatesh and Dr. Sandeep G. P for their valuable secretarial assistance throughout the project.

This study is the outcome of a collaborative effort, and we remain deeply grateful to all those who contributed to its successful completion.

**– Project Team**





## **Executive Summary**

The study titled *“Impact Evaluation of NABARD-Supported Farmer Producer Organizations (FPOs) Under PODF-ID in Telangana”*, conducted by a-IDEA, ICAR-NAARM, Hyderabad with the support of NABARD Telangana Regional Office, was undertaken to assess the outcomes, operational mechanisms, and sustainability prospects of FPOs promoted under the Producer Organization Development Fund–Interest Differential (PODF-ID) initiative. The study focused on 14 representative FPOs selected across three agro-climatic zones of Telangana and was based on a comprehensive methodology involving structured surveys of 700 member farmers, interactions with BoDs, CEOs, and POPIs, along with detailed analysis of financial records, organizational documentation, and scheme-related data.

### **Terms of Study and Findings**

#### *Organizational and management structure of FPOs*

The first objective of the study was to analyze the organizational and management structure of FPOs and examine their effectiveness in governance and operations. The study found that the FPOs generally followed a standard structure comprising a Board of Directors (BoDs), Chief Executive Officer (CEO), and general body of members. While this structure was present across all 14 FPOs, the effectiveness of governance varied significantly. FPOs such as Errabelli and AGEEWA stood out due to active women leadership, transparent management, and participatory decision-making. In contrast, several FPOs showed limited board engagement, weak documentation, and inadequate role clarity among office bearers. It was noted that BoDs in many cases lacked adequate understanding of business governance and legal compliance requirements, which hindered timely and strategic decision-making. The study concluded that while structural consistency exists, there is a pressing need to enhance functional governance, internal controls, and performance appraisal mechanisms across FPOs.

#### *Training and capacity-building interventions*

The second objective aimed to assess the utility and effectiveness of training and capacity-building interventions for making FPOs more vibrant and suggest further improvements. The findings showed that the Resource Support Agencies (RSAs) and

POPIs had organized multiple training sessions focused on financial management, BoD orientation, compliance, and procurement processes. These interventions did help improve the administrative and record-keeping skills of key personnel. However, several FPOs reported that the training coverage was limited in scope and did not adequately address critical business aspects like value addition, branding, digital marketing, quality standards, post-harvest management, and packaging. The need for sustained, advanced, and practical training tailored to the growth phase of each FPO was strongly emphasized by both field-level CEOs and BoD members. Therefore, the study recommended capacity-building models that go beyond foundational topics and enable market-oriented and digitally enabled business strategies.

#### *FPO activities on the income of member farmers*

The third objective focused on evaluating the impact of various FPO activities on the gross and net income of member farmers. The study clearly indicated a measurable positive impact, with an average income increase of 12.67% among members, largely due to timely input supply, bulk procurement, and collective marketing that reduced input costs and improved output price realization. FPOs like DNT and Kattangur demonstrated impressive results due to their investments in value addition (e.g., cottonseed oil extraction, lemon processing), custom hiring centers (CHCs), and direct marketing outlets. Members benefited not only from cost savings but also from time-bound access to agri-services such as drone spraying, mechanized ploughing, and storage. However, it was also observed that the income gains were not uniformly distributed, and most FPOs had not diversified into non-farm activities or secondary value chains, thereby limiting the potential economic benefits.

#### *Business models and Credit Linkages of the FPOs*

The fourth objective was to understand the current business models adopted by FPOs, their existing credit linkages, and to propose new and viable models. The findings revealed that most FPOs were primarily engaged in input supply and produce aggregation, with limited diversification into processing or branding. Only a few FPOs such as AGEEWA, DNT, and Kattangur had evolved beyond basic models by setting up mini dal mills, oil extraction units, and lemon pickle production. In terms of financial access, FPOs faced major constraints in securing working capital loans. While some FPOs had managed to avail loans from NABKISAN, TGB, SBI, and other

financial institutions, the scale and coverage of these credit linkages were inadequate. Many FPOs operated with minimal capital buffers and relied heavily on POPI support. There was also a lack of familiarity with formal banking systems and credit management, which further deterred scale-up efforts. The study recommended the promotion of integrated, multi-stream business models that combine aggregation, value addition, retail, and advisory services, backed by robust and customized credit products.

### *Social, Financial, and Economic impact*

The fifth objective sought to examine the social, financial, and economic impact of collectivization on individual members. The study found that FPO membership significantly improved farmers' access to affordable inputs, markets, and support services, thereby enhancing their economic security. Several respondents expressed improved confidence in negotiating prices, participating in market interactions, and accessing institutional services like crop advisory and training. Socially, the collectivization process fostered stronger peer networks and a sense of ownership among members. In women-led FPOs, there was a notable improvement in the social standing of women leaders within the community. These findings underscore the role of FPOs not just as economic units but as instruments of rural empowerment. The study highlighted the importance of promoting inclusive governance and recommended that future FPO interventions prioritize women, youth, and socially disadvantaged groups.

### *Convergence between FPOs and other stakeholders*

The sixth objective was to assess the extent of convergence between FPOs and other stakeholders, including government schemes, corporates, technology partners, and academic institutions. The study revealed that, barring a few instances, the level of convergence remained largely fragmented. Most FPOs operated in isolation and lacked formal partnerships with relevant stakeholders. There were very few documented MoUs or collaborative initiatives with line departments, research bodies, agri-tech startups, or CSR foundations. This limited the ability of FPOs to leverage existing schemes and support services for infrastructure, capacity building, or marketing. The report strongly recommended the creation of district-level coordination mechanisms involving NABARD, SFAC, KVKs, and relevant state

departments to institutionalize convergence and improve outreach of support schemes to FPOs.

### *Bottlenecks and Systemic inadequacies in the FPO Ecosystem*

The final and seventh objective was to identify bottlenecks and systemic inadequacies in the FPO ecosystem that may hinder their long-term sustainability. The study identified several critical challenges: insufficient working capital, poor credit access, weak financial literacy, inadequate storage and processing infrastructure, low digital adoption, poor market linkages, and inconsistent compliance with statutory obligations. Many FPOs lacked the professional capacity to maintain records, file returns, and develop viable business plans. Further, member participation in governance and business planning was often weak due to lack of awareness. These systemic issues made many FPOs heavily dependent on external agencies and vulnerable to financial stress. To address these gaps, the study recommended a multi-pronged strategy including: facilitating easier access to financial products through FPO-dedicated schemes, enhancing business planning capabilities, developing common service centers for compliance support, investing in low-cost processing infrastructure, and ensuring market tie-ups through digital and institutional platforms.

In conclusion, the study affirmed that NABARD's PODF-ID initiative has played a pivotal role in institutionalizing and nurturing FPOs across Telangana. It has succeeded in creating platforms that empower farmers through collective action, service delivery, and business engagement. However, to achieve long-term sustainability and transform FPOs into professional, market-ready enterprises, there is a pressing need to expand the scale of support and shift the focus from formation to growth and consolidation. Future efforts should emphasize business model innovation, convergence of ecosystem stakeholders, strategic credit access, and inclusive governance. With the right policy and institutional backing, FPOs can evolve as rural growth engines that align with the broader national goals of doubling farmers' income and achieving the Sustainable Development Goals (SDGs).

## CHAPTER-1 INTRODUCTION

### 1.1. Farm Sector in India

Agriculture plays a crucial role in shaping the Indian economy, serving as the primary source of livelihood for nearly 60% of the population (Ministry of Agriculture & Farmers Welfare, 2022). Despite its significance, the sector faces multiple challenges, particularly for small and marginal farmers, who make up approximately 86% of the farming community, as per the Agricultural Census of 2020 (GoI, 2021). These farmers encounter several structural and economic constraints, including limited access to affordable agricultural inputs, fragmented and uneconomical landholdings, inadequate financial support, and the absence of direct market linkages. Such challenges restrict their ability to achieve optimal productivity, enhance their income levels, and ensure long-term sustainability in farming (Chand et al., 2017; World Bank, 2020).

To address these pressing concerns, Producer Organizations (POs)/Farmer Producer Organizations (FPOs)/ Farmer Producer Companies (FPCs) have emerged as a transformative solution, fostering collective action among farmers. These organizations enable farmers to pool their resources, leverage economies of scale, and access modern agricultural technologies, quality inputs, financial support, and efficient marketing channels. By functioning as a collective entity, FPOs empower smallholders with improved bargaining power, thereby securing better prices for their produce and reducing the influence of intermediaries in the supply chain (Singh & Singh, 2014; NABARD, 2020).

Recognizing the immense potential of Farmer Producer Organizations (FPOs) in strengthening rural economies, the National Bank for Agriculture and Rural Development (NABARD) introduced the Producer Organization Development Fund - Interest Differential (PODF-ID) initiative. This initiative is strategically designed to enhance the operational and financial viability of FPOs by offering targeted support across three core areas: capacity building, financial assistance, and market facilitation. Through structured training programs, facilitation of affordable credit, and development of robust market linkages, the initiative aims to nurture resilient and

self-sustaining farmer institutions capable of driving inclusive agricultural growth (NABARD Annual Report, 2021–22).

In addition to NABARD, key institutions such as the Small Farmers' Agri-Business Consortium (SFAC) and the National Agricultural Cooperative Marketing Federation of India (NAFED) play pivotal roles in the promotion and strengthening of FPOs. SFAC extends vital support through equity grants (up to ₹15 lakh per FPO), credit guarantee cover, and facilitates linkages with banks and private sector players (SFAC, 2023). NAFED, on the other hand, provides critical market linkage and procurement support under schemes like the Price Support Scheme (PSS) for pulses, oilseeds, and other commodities, thereby ensuring fair price realization for farmers (NAFED, 2022). These efforts are further complemented by the involvement of state governments, NGOs, and private agribusinesses, collectively building an ecosystem conducive to the success of FPOs.

A compelling example of this integrated approach can be observed in the state of Telangana, where around 350 FPOs have been established and supported under the PODF-ID initiative (NABARD-TSRO, 2024). These organizations have been strategically developed to enhance farmers' income, promote sustainable and climate-resilient agriculture, and drive rural prosperity. By facilitating access to institutional credit—often subsidized through interest differential mechanisms—and expanding market opportunities, these FPOs serve as vital enablers in bridging the gap between smallholder farmers and mainstream agricultural value chains. Many Telangana FPOs have also leveraged platforms such as e-NAM (National Agriculture Market) to secure better price realization, bypass middlemen, and ensure transparent trade (eNAM Dashboard, MoAFW, 2023).

Together, the coordinated efforts of NABARD, SFAC, NAFED, and other stakeholders have transformed FPOs into key instruments of rural empowerment, enabling farmers to transition from mere producers to agri-entrepreneurs, while simultaneously contributing to the broader goals of food security, employment generation, and sustainable rural development (Planning Commission, 2015; FAO India Report, 2020).

However, despite the promise and potential of FPOs, their effectiveness in achieving long-term socio-economic impact remains an area that requires systematic evaluation. Factors such as governance structures, financial stability, operational efficiency, and farmers' engagement levels significantly influence their overall success. Additionally, challenges related to policy implementation, infrastructural constraints, and market volatility need to be addressed to ensure the seamless functioning of FPOs (NITI Aayog, 2021).

A comprehensive assessment of these FPOs is essential to determine their alignment with key national policy goals, including the ambitious Doubling Farmers' Income (DFI) initiative and the Sustainable Development Goals (SDGs). Understanding the impact of FPOs through empirical research and stakeholder feedback will enable policymakers, financial institutions, and agribusiness entities to formulate evidence-based strategies for their continued support and expansion (MoAFW, DFI Report Vol. XII, 2018).

By fostering a conducive ecosystem for FPOs and addressing existing barriers, India can pave the way for an inclusive and sustainable agricultural economy, ensuring long-term prosperity for millions of small and marginal farmers across the country.

## **1.2. Role of NABARD in Supporting Farmer Producer Organizations (FPOs)**

The National Bank for Agriculture and Rural Development (NABARD) plays a pivotal role in fostering the development and strengthening of Farmer Producer Organizations (FPOs) across India. FPOs have emerged as a key strategy for empowering small and marginal farmers by enabling them to operate as collective entities, thereby improving their bargaining power, market access, and financial viability (NABARD, 2020; GoI, 2018). Recognizing the transformative potential of FPOs in Indian agriculture, NABARD has launched several flagship initiatives that provide holistic support in the form of financial assistance, capacity building, infrastructure development, and policy advocacy (NABARD Annual Report, 2021–22).

One of the key areas where NABARD extends its support is capacity building and institutional development. Many FPOs struggle with governance, leadership, and

business management due to a lack of formal training and exposure. NABARD addresses this gap by organizing training programs, workshops, and exposure visits to enhance the managerial and technical skills of FPO leaders and members. These initiatives focus on financial literacy, business planning, value chain development, and market orientation, ensuring that FPOs evolve into efficient and sustainable agribusiness units (NABARD, 2022; Singh & Singh, 2014).

Financial assistance and credit support constitute another major pillar of NABARD's intervention strategy. Limited access to institutional credit often hampers the growth and operational efficiency of FPOs. To mitigate this, NABARD has introduced several funding mechanisms including the Producer Organization Development Fund (PODF), dedicated credit lines, and interest subvention schemes. These tools help FPOs in meeting working capital needs, investing in infrastructure, and scaling their operations (NABARD, 2020; SFAC, 2023). Moreover, NABARD acts as a facilitator to connect FPOs with commercial banks, cooperative institutions, and microfinance entities for timely and affordable credit access (MoAFW, 2021).

In addition to financial aid, NABARD provides strategic support for market linkages and value chain integration. One of the major hurdles for smallholders is dependence on intermediaries, which diminishes their income. NABARD helps FPOs bypass these layers by connecting them with institutional buyers, agri-tech companies, and digital marketplaces. It also supports initiatives in branding, packaging, grading, and certification, enhancing the marketability of FPO produce in both domestic and international markets (FAO, 2020; NABARD, 2022).

At the state level, the Telangana Regional Office (TSRO) of NABARD has demonstrated a structured and context-specific approach to FPO promotion. With over 350 FPOs supported across Telangana, NABARD TSRO has built a strong ecosystem across crops like cereals, pulses, horticulture, oilseeds, dairy, and millets (NABARD-TSRO, 2024). Their strategy includes partnerships with NGOs, resource support agencies (RSAs), and line departments, providing continuous handholding support. The PODF-ID scheme in Telangana has enabled FPOs to invest in procurement infrastructure, input distribution systems, and post-harvest facilities while accessing affordable credit (NAARM, 2024).



NABARD Telangana has also organized Buyer-Seller Meets, FPO Melas, and State-Level Monitoring Committees to facilitate stakeholder engagement, cross-learning, and collaboration. As a result, several FPOs have successfully engaged in direct marketing, e-NAM participation, and formal procurement contracts with national buyers (eNAM Dashboard, 2023). These successes illustrate the tangible impact of NABARD's support in strengthening the grassroots farm economy.

Through these multi-pronged efforts, NABARD and its regional offices have been instrumental in transforming informal farmer groups into viable, self-sustaining, and professionally managed entities. This transformation not only boosts farm incomes and reduces costs but also contributes significantly to the goals of doubling farmers' income, promoting climate-resilient agriculture, and ensuring inclusive rural development (DFI Report, 2018; NITI Aayog, 2021). Going forward, continuous monitoring, policy adaptability, and collaborative implementation will be critical to unlocking the full potential of FPOs in India.

### **1.3. Rationale of this Study**

The National Bank for Agriculture and Rural Development (NABARD) has played a pivotal role in promoting Farmer Producer Organizations (FPOs) as part of its mission to improve the livelihoods of small and marginal farmers. Through the Producer Organization Development Fund – Interest Differential (PODF-ID) scheme, NABARD provides both financial support and capacity-building assistance aimed at enhancing the organizational, operational, and financial sustainability of FPOs (NABARD, 2020; NABARD Annual Report, 2021–22). These FPOs act as key institutional mechanisms to improve farmers' access to markets, credit, and technology, thereby contributing to the strengthening of the agricultural value chain and reducing the role of exploitative intermediaries (MoAFW, 2021; SFAC, 2023).

Despite substantial investments and institutional efforts, there remains a pressing need to systematically evaluate the impact, operational challenges, and sustainability of FPOs, particularly in agrarian states like Telangana, where persistent issues such as low productivity, market volatility, and credit access constraints hinder rural development (Planning Commission, 2015; NITI Aayog, 2021). In Telangana alone, NABARD has supported over 350 FPOs under the PODF-ID initiative, yet their long-

term impact on farmer incomes, productivity, and financial inclusion is underexplored in empirical literature (NABARD-TSRO, 2023).

A comprehensive assessment of the socio-economic outcomes of these FPOs is essential to determine their effectiveness in fulfilling the broader national objectives, such as Doubling Farmers' Income (DFI) and achieving several Sustainable Development Goals (SDGs) (MoAFW, 2018; FAO India, 2020). Moreover, understanding the operational and financial barriers—including governance limitations, inadequate infrastructure, and restricted market linkages—is critical for tailoring future support mechanisms. These challenges have been identified as major impediments to FPO performance in various state- and national-level evaluations (Singh & Singh, 2014; NAARM, 2022).

Evaluating the sustainability and scalability of FPOs is equally important to ensure that these institutions can evolve from donor-dependent models to self-sustaining agribusiness enterprises. Long-term viability will depend on factors such as access to finance, internal governance mechanisms, integration with value chains, and resilience to market fluctuations (World Bank, 2020; NITI Aayog, 2021).

This study aims to fill that gap by offering evidence-based insights into the functioning of NABARD-supported FPOs in Telangana. The findings will inform NABARD, policymakers, and development partners on how to refine support systems, enhance capacity-building frameworks, and improve financial accessibility. Ultimately, by identifying practical strategies to address existing barriers, this research will contribute to building resilient, inclusive, and sustainable FPOs, driving forward the agenda of rural transformation and agricultural modernization.

#### **1.4. Objectives and Terms of Reference of the Study**

The study was designed to meet the growing need for assessing the performance, sustainability, and impact of Farmer Producer Organizations (FPOs) in improving farmers' income and ensuring their long-term stability. Recognizing the vital role of FPOs in empowering small and marginal farmers through collectivization, the study examines their organizational and management structures, operational efficiency, training programs, and financial viability. It also aims to assess the economic gains for member farmers, explore business models and credit linkages, and analyze the

integration of FPOs with government initiatives and private sector collaborations. Identifying challenges and proposing strategic solutions for sustainable growth are key aspects of the study, ensuring that FPOs remain strong institutions for farmer empowerment and rural development.

Accordingly, the following objectives and terms of reference were formulated through extensive consultations with key stakeholders, including FPO representatives, policymakers, and agricultural experts.

1. To analyse organizational and management structure of FPOs, its effectiveness in operations and governance
2. To assess the utility and effectiveness of training and capacity building interventions for making the FPOs vibrant and suggest further measures, if any.
3. To evaluate the impact of various FPO activities on the gross and net income of member farmer on account of timely input supply, productivity increase, crop diversification, mechanization of farm operations, aggregate produce marketing diversified marketing interventions, value addition of produce etc.,
4. To understand the current business model and credit linkages to the FPOs and suggest new business models.
5. To study the social, financial and economic impact of individual members through collectivization
6. To assess the level of convergence with other stakeholders and their schemes, if any such as of state government, corporates technology institutes etc. in the operation of FPOs
7. To identify bottlenecks, inadequacies etc. in the FPO ecosystem for long term sustainability of FPOs

## **1.5. Study Area, Data and Methodology**

### **1.5.1. Study Area**

The study was conducted in Telangana, focusing on Farmer Producer Organizations (FPOs) promoted by the National Bank for Agriculture and Rural Development (NABARD). Telangana, with its diverse agro-climatic conditions and a significant population of small and marginal farmers, served as an ideal setting to evaluate the

performance and impact of FPOs. Over the years, the state had seen considerable efforts in strengthening collective farming through FPOs, aimed at improving farmers' access to inputs, technology, markets, and financial services. By assessing selected FPOs, the study provided insights into their operational efficiency, governance mechanisms, financial sustainability, and overall effectiveness in enhancing farmers' livelihoods.

### **1.5.2. Data Collection and Methodology**

To achieve the study's objectives, a mixed-method approach incorporating both qualitative and quantitative techniques was employed. The methodology involved primary data collection through field surveys and interviews with FPO members, along with secondary data analysis from existing reports and documents.

### **1.5.3. Sample Design**

- To effectively evaluate the individual experiences of farmers and analyze the economic impact of activities undertaken by Farmer Producer Organizations (FPOs), a Proportionate Sampling Method was adopted. This approach ensures balanced representation from each participating FPO, thereby enhancing the reliability and validity of the findings.
- The study employed a zone-wise stratified sampling design to ensure proportionate representation from different geographical regions. Among the 69 Farmer Producer Organizations (FPOs) that submitted their Project Completion Reports to NABARD, the distribution was as follows: Central Zone – 30 FPOs (44%), Southern Zone – 26 FPOs (38%), and Northern Zone – 13 FPOs (18%). In accordance with NABARD's directive mentioned in the project sanction letter, 14 FPOs were selected for in-depth analysis. These were proportionately drawn from each zone: 6 from the Central Zone, 5 from the Southern Zone, and 3 from the Northern Zone.
- This proportionate stratification ensures that the sample mirrors the actual geographic distribution of the FPOs, thereby enhancing both the representativeness and credibility of the study findings. The stratified approach also facilitates a more balanced and region-specific analysis of FPO performance. It enables comparative insights across zones and highlights the

potential influence of geographic and socio-economic factors on the implementation and outcomes of NABARD-supported FPO initiatives. **Table 1.**

### Sampling Design

| Project Completion Report given by FPOs to NABARD | Zones            | Number of FPOs selected for study | Total |
|---|------------------|-----------------------------------|-------|
| 69  | Central-30 (44%) | 6                                 | 14    |
|   | South-26 (38%)   | 5                                 |       |
|   | North-13 (18%)   | 3                                 |       |

- Primary Data Collection:** To capture individual farmer experiences and assess the economic impact of FPO activities, 700 farmers (50 per FPO) were surveyed. These farmers were selected using a stratified random sampling method to ensure representation from different socio-economic backgrounds, farm sizes, and levels of engagement with the FPOs. The survey included structured questionnaires covering aspects such as income changes, input availability, market access, adoption of mechanization, and overall satisfaction with the FPO. In addition, key informant interviews were conducted with FPO board members, CEOs, and other stakeholders to gather insights into management practices, challenges, and future strategies.
- Secondary Data Collection:** To supplement the primary data, a thorough review of secondary sources was conducted. This included FPO financial records, governance documents, business plans, NABARD reports, and other relevant publications. These records helped assess the financial health, governance structure, and overall sustainability of the FPOs. Additionally, government policy documents, academic studies, and industry reports were reviewed to contextualize the findings within broader agricultural and policy frameworks.

#### **1.5.4. Data Analysis**

The collected data was analyzed using both descriptive and inferential statistical methods. Quantitative data from farmer surveys was processed using statistical tools to examine trends, correlations, and the impact of FPO interventions on farm incomes and productivity. Qualitative insights from interviews were analyzed thematically to understand governance challenges, business model effectiveness, and stakeholder perceptions. The findings were synthesized to identify best practices, gaps, and areas for policy intervention to strengthen FPOs in Telangana.

The study was conducted by the team from January to March 2025 using a combination of methods, including interviews and focused group discussions with farmer members. Additionally, focused group discussions were held with representatives of POPIs, Boards of Directors (BoDs), and CEOs of FPOs. Structured interview schedules were utilized to collect responses from specific groups of participants. (Annexures I and II)

#### **1.6. Structure of the Report**

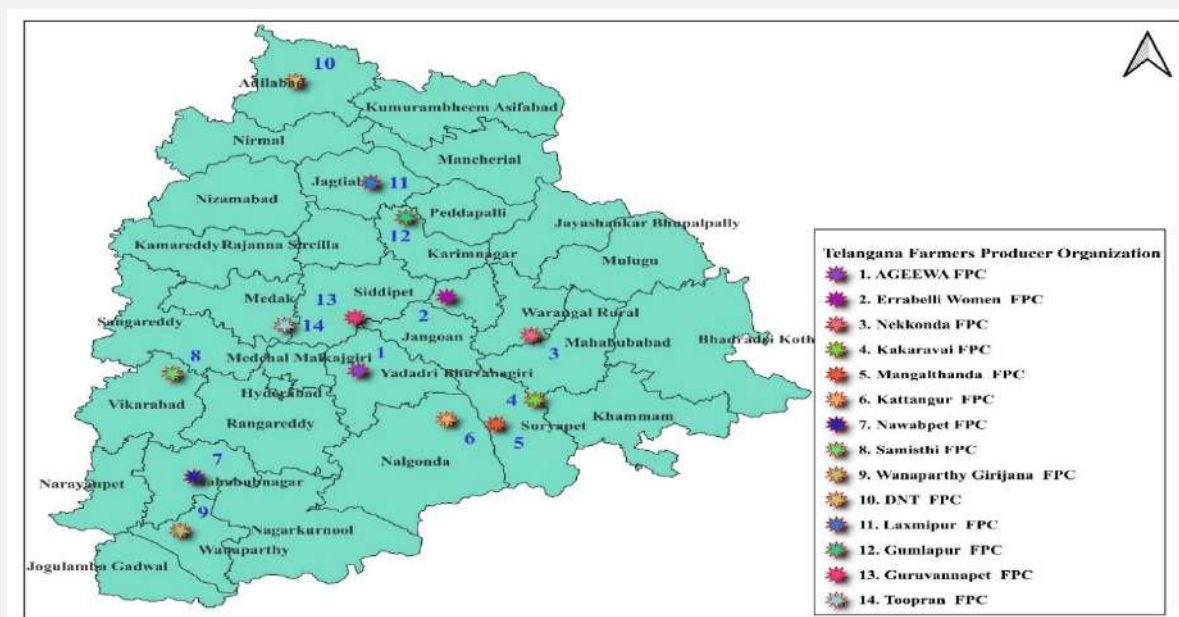
This report aims to provide an overview of the FPOs under PODF-ID in Telangana, their achievements and challenges and the way forward for their promotion and nurturing. The inference made in the report are based on the primary data from the key functionaries of FPOs and POPIs as well as the information contained in the progress reports furnished by them to regional office of NABARD, Telangana. The Report is structured as follows

Chapter 1: Introduction-This chapter provides the background, need, objectives and methodology of the study.

Chapter 2: Profiles of the FPOs

Chapter 3: Analysis and Findings

Chapter 4: Summary, Findings and Recommendations



**Fig 1. Study area and mapping of the selected FPOs for the Study**

**Table 2. Shortlisted FPOs for impact study**

| Sl. No. | Name of FPO  | Place                           |
|---------|--|---------------------------------|
| 1       | Errabelli Woman Farmers Producers Company Limited  | Bheemadevarapalli , Hanumakonda |
| 2       | AGEEWA Farmer Producer Company Limited             | Bhongir, Yadadri Bhuvanagiri    |
| 3       | Nekonda Farmers Producers Company Limited          | Nekonda, Warangal               |
| 4       | Kattangur Farmers Producers Company Limited        | Kattangur, Nalgonda             |
| 5       | Mangalithanda Village Producer Company Limited     | Athamakur, Suryapet.            |
| 6       | Kakarvai Farmers Producer Company Limited          | Kakarvai, Khammam               |
| 7       | Farmer Producer Company Limited                    | Nawabpet, Nalgonda              |
| 8       | Samisthi Farmers Producers Company Limited         | Velchal, Vikarabad              |
| 9       | Wanaparthi Girijana Fruit Producer Company Limited | Kothakota, Wanaparthi           |
| 10      | Laxmipur Farmers Producers Company Limited         | Laxmipur Jagtial                |
| 11      | Gumlapur Farmers Producers Company Limited         | Choppandadi, Karimnagar         |
| 12      | DNT Farmers Producers Company Limited              | Gudihathnoor, Adilabad.         |
| 13      | Guruvannapet Farmers Producers Company Limited     | Cherial, Siddipet               |
| 14      | Toopran Farmers Producers Company Limited          | Toopran, Medak                  |



## CHAPTER 2

### PROFILE OF FPOS

This chapter presents an overview of the profile of the fourteen FPOs covered in the study, based on the information and data gathered through various means and made available by the POPI and FPO during the study.

#### FPOs of Telangana

##### 2.1. Errabelli Woman Farmer Producers Company Ltd.

|  |   |                                     |
|--|---|-------------------------------------|
| <b>Location</b><br>Bheemadevarapally, Hanumakonda.                           | <b>Dt. Of Registration</b><br>3 <sup>rd</sup> January 2019. | <b>CIN</b><br>U01409TG2019PTC129459 |
| <b>Business Activity</b><br>Input supply, Crop Advisory services & Marketing | <b>Commodities</b><br>Cotton, Paddy, Maize, Vegetables.     |                                     |

##### Organizational Details:

**BoD:** Represented by 10 Women

**Membership:** 521 farmers as Members

**Equity Mobilized:** Rs. 5,21,000/-

**CEO:** P. Sampath Kumar

**Employees:** CEO+ 2 Employees

##### Details of the POPI:

Jana Vikas Rural Development Society (JVRDS)



##### Business of the FPO:

| Year    | Turn over     | Profit    |
|---------|---------------|-----------|
| 2021-22 | Rs. 3,10,640  | Rs. 1,837 |
| 2022-23 | Rs. 4,79,860  | Rs. 2,453 |
| 2023-24 | Rs. 21,01,180 | Rs. 338   |

The above table reflects a yearly increase in turnover; however, the net profit in the last year is comparatively low despite the FPO's efforts in expanding vegetable marketing and improving input services. This is primarily because a significant portion of the benefits was directly passed on to the farmer members. As per the Board's strategic decision, this approach aimed to reduce taxable income by



minimizing reported profits, ensuring that value reaches farmers while managing tax liabilities.

**Active Membership:** This FPO has actively mobilized 521 women farmers with active farmers involved in input procurement and vegetables marketing activities, which is evident from increasing turnover and growing participation building confidence in FPO services.

**Business operations up-taken by FPO so far:** The FPO started as input services centre and provided low-cost inputs to the farmers. Further with the support from the promoting institution it has ventured into vegetable marketing connecting markets directly to the members.

**Women in Management:** The entire board comprises women, making this FPO an example of women-led governance. Women leaders are involved in operational decisions right from the procurement of inputs to marketing strategies for vegetables, and financial oversight with the inputs from the POPI, reflecting empowerment at grassroots level.

**Use of Technology:** Currently limited, but services such as crop advisory and business tracking are candidates for digital enhancement. Introducing mobile apps for record-keeping, crop planning, and market linkages can enhance efficiency.

**Value Addition & Processing:** No reported processing yet but procurement of vegetables and connecting to the markets is under way. However, cotton ginning, vegetable dehydration, and maize value-addition units could be explored based on member crop profiles.

**Marketing Channels:** Offline channels are the mainstay. With branding and digital literacy training, this FPO can explore digital marketing avenues like Amazon Saheli and government e-marketplaces (eNAM). Lack of business development assistance in



**Ms. Bandi Lavanya,**  
Errabelli Village,  
Hanumakonda Dist.

"After joining the FPO, I got seeds and fertilizers at lower prices. quick loans, vegetable marketing and training in skill development activities helped in gain additional income. Further, with better cold storage facilities for vegetables and market linkages can help earning more revenue".

the form of networking and mentoring from the technical agencies leading to weak market linkages.

**Credit Linkages:** FPO has availed Rs. 5 Lakhs loan from Samunnati Finance Ltd. Further Credit access will enable stockholding and input procurement in bulk for scaling up business activities.

**Statutory Compliance:** FPO regularly file returns with ROC, maintain GST compliance, and audit financials to prevent fines and maintain transparency.

**Non-Credit Activities:** Provides training on commercial floriculture and other skill development activities helping in women empowerment and increase employment opportunities. Survey revealed 60 percent of the members uptake the several facilities provided by the FPO in collaboration with the POPI.

**Achievements:** The FPO is successfully mobilized 521 farmers and led the organization to win the Best Woman FPO Award twice, in 2022 and 2024 for their best performance.

**Sustainability:** With full women leadership, state-level recognition, and growing turnover, the FPO is well positioned for sustainability. Strategic support in credit and processing infrastructure can drive its next growth phase.

**Role played by POPI so far:** Jana Vikas Rural Development Society (JVRDS) has played a key role in mobilizing and creating awareness among farmers for the formation and strengthening of the FPO. It has provided continuous support in various activities and has actively guided the Board of Directors (BoDs) and member farmers in skill development initiatives. With support from NABARD, JVRDS has facilitated income-generating programs such as commercial floriculture and tailoring training, aiming to diversify livelihoods and enhance members' economic resilience.

## 2.2. AGEEWA Farmers Producers Company Ltd.

|  |  |  |
|--|--|--|
| <b>Location</b><br>Bhongir, Yadadri Bhuvanagiri  | <b>Dt. Of Registration</b><br>5th March 2018 | <b>CIN</b><br>U01400TG2018PTC127193          |
| <b>Business Activity</b><br>Input supply, Aggregation, sale of produce Processing unit |  | <b>Commodities</b><br>Paddy, Cotton, Redgram |

### Organizational Details:

**BoD:** Represented by 10 Woman

**Membership:** 630 Farmers as Members

**Equity Mobilized:** Rs. 6,30,000/-

**CEO:** K Mahesh

**Employees:** CEO+1 Employees

**Details of the POPI:**

Peoples Action for Creative Education (PEACE)



### Business of the FPO:

| Year    | Turn over     | Profit     |
|---------|---------------|------------|
| 2021-22 | Rs. 17,31,596 | Rs. 8,795  |
| 2022-23 | Rs. 19,21,657 | Rs. 15,186 |
| 2023-24 | Rs. 26,74,018 | Rs. 13,780 |

The above table indicates a steady yearly increase in turnover; however, the profit booked in the last year declined despite the establishment of the redgram processing unit. This decrease is primarily attributed to losses incurred during storage and various operational challenges in managing and running the processing machinery efficiently.

**Active Membership:** A strong member base of 630 with year-on-year growth in business activity reflected in growth in turnover. Members are engaged in input procurement and redgram value addition operations.

**Use of Technology:** Use of mechanization in dal milling indicates an initial level of technology adoption. Introducing inventory management software and farmer-facing apps can improve logistics and traceability.

**Value Addition & Processing:** Processing of redgram through the dal mill adds value and supports better price realization. Scope exists to brand the produce with attractive packaging and expand to institutional buyers.

**Marketing Channels:** currently FPO has no formal branding but sells informally as farmer association and primarily into offline marketing. Expansion into B2C channels, agri e-commerce platforms, and cooperative store networks will help scale operations.

**Credit Linkages:** While self-financing seems to be the model, FPO has availed Rs. 15 Lakhs from NABKISAN for unit establishment. Further linkage with financial institutions is recommended for working capital to run the redgram processing facility and branding output produce.

**Statutory Compliance:** Financial audits, GST compliance, and ROC return filings should be strengthened to attract external support, as FPO is in financial crunch to scale its activities. Lack of technical support is found to be a major hurdle.

**Non-Credit Activities:** Input supply, trainings, and production advisory are offered. This holistic approach helps improve productivity and enhances member loyalty.

**Achievements:** The FPO has mobilized 630 farmers and developed its own brand, AGEEWA. It has also undertaken value addition of red gram through the establishment of a mini dal mill.



**Ms. K.Swaroopa,**  
Cholleru village, Yadadri  
Bhunagiri dist.

“FPO has provided several opportunities to improve income promoting farming and employment in Redgram processing facility. If we can keep our dal mill running all the time, go digital, and get support like insurance, our FPO will do much better, and all farmers will benefit”

**Sustainability:** The FPO's emphasis on value addition, women-led management, and brand building places it on a solid path for long-term sustainability. Business diversification and tech integration can be future focus areas.

**Role played by POPI so far:** The institution is actively involved in mobilizing women farmers and engaging them through various training programs aimed at capacity building and livelihood enhancement. The Producer Organization Promoting Institution (POPI) plays a key role in developing infrastructure and providing operational support for the unit. Additionally, POPI's assistance in establishing technical and market linkages has significantly strengthened the overall functioning and impact of the FPO

### 2.3. Nekkonda Farmers Producers Company Ltd.

|   |  |   |
|---|--|---|
| <b>Location</b><br>Nekkonda, Warangal   | <b>Dt. Of Registration</b><br>27 <sup>th</sup> November 2018 | <b>CIN</b><br>U01409TG2018PTC128085             |
| <b>Business Activity</b><br>Input supply, Aggregation, Sale of produce, Drone Services & Processing unit. |  | <b>Commodities</b><br>Paddy, Cotton & Turmeric. |

#### Organizational Details:

**Membership:** 505 Farmers as Members

**Equity Mobilized:** Rs. 5,05,000/-

**Details of POPI:** Sahaya Social Service Seva Society.

**CEO:** O. Ajith

**BoD:** Represented by 10 (8 Men +2 Woman)

**Employees:** CEO+2 Employees



#### Business of FPO:

| Year    | Turn over     | Profit     |
|---------|---------------|------------|
| 2021-22 | Rs. 11,36,626 | Rs. 11,353 |
| 2022-23 | Rs. 30,95,633 | Rs. 16,287 |
| 2023-24 | Rs. 14,16,070 | Rs. 13,160 |

The above table, which outlines yearly turnover and profits, reveals a decline in both metrics during the last year. This drop is primarily due to the missed opportunity for



paddy procurement from the government, resulting from changes in procurement policies.

**Active Membership:** Membership has remained steady, with 505 farmers. Business turnover fluctuated in recent years, suggesting the need for member re-engagement during low seasons. Drone services and processing support attract active users.

**Women in Management:** With 2 women on the board, their influence may be limited but valuable. Introducing women in operational and leadership roles with proper training will improve governance diversity.

**Use of Technology:** The FPO offers drone spraying services—a standout example of smart agriculture. To expand, they can introduce digital invoicing, mobile apps for service bookings, and GIS tools for precision agriculture.

**Value Addition & Processing:** Processing infrastructure includes turmeric boiling and polishing units. These facilities enable them to enhance turmeric quality. Forward linkages with organic and Ayurvedic buyers will maximize returns.

**Marketing Channels:** Mainly dependent on offline mandis. There is strong potential to market polished turmeric through institutional channels like AYUSH stores or organic outlets, and even niche e-commerce.

**Credit Linkages:** FPO has availed Rs. 6.48 lakhs from Telangana Grameena Bank(TGB). Further, equipment-based operations like drones and construction of processing for Turmeric powder making unit will require access to machinery finance or lease options, which could be obtained via NABKISAN or agri-cooperative banks.

**Statutory Compliance:** Must ensure drone service contracts and machinery insurance are maintained. ROC filings and inventory audits need to be routine.



**Mr. Bhupal Reddy,**  
Nekkonda village,  
Warangal dist.

“FPO is providing low-cost input and processing turmeric at the field level which minimized my costs. Further We also need more training on new methods and how to grow better crops”

**Non-Credit Activities:** Provides drone spraying services, processing support, and crop aggregation. These enable the FPO to be seen as a one-stop solution provider to farmers.

**Achievements:** This FPO has offering drone spraying services to its members. Additionally, it has established turmeric boiling and polishing units to enhance value addition and support member farmers.

**Sustainability:** Adoption of drone tech and turmeric processing gives a competitive advantage. With market and financial linkages, this FPO can emerge as a leader in turmeric value chains in the region.

**Role played by POPI so far:** The institution actively mobilizes BoDs and farmers through various developmental programs to enhance their participation and skills. POPI's continuous support is reflected in infrastructure creation and the overall strengthening of the FPO.

#### 2.4. DNT Farmers Producers Company Ltd.

|   |   |   |
|---|---|---|
| <b>Location :</b><br>Gudihathnoor, Adilabad.  | <b>Dt. Of Registration</b><br>14 September 2017 | <b>CIN</b><br>U01110TG2017PTC119547                         |
| <b>Business Activity</b><br>Input supply, Processing and Value addition,<br>Custom Hiring center. |   | <b>Commodities:</b><br>Cotton, Redgram, Soyabean,<br>Maize. |

#### Organizational Details:

**Date of Establishment:** (CIN:)

**Membership:** 635 Farmers as Members

**Equity Mobilized:** Rs. 21,63,000/-

**Details of POPI:** Dhan Foundation

**CEO:** K. Sunil Kumar

**BoD:** Represented by 5 (4 Men +1 Woman)

**Employees:** CEO+4 Employees



### Business of the FPO:

| Year    | Turn over       | Profit       |
|---------|-----------------|--------------|
| 2021-22 | Rs. 2,10,14,013 | Rs. 1,06,037 |
| 2022-23 | Rs. 2,64,93,125 | Rs. 1,73,681 |
| 2023-24 | Rs. 8,12,49,425 | Rs. 1,13,112 |

The above table reflects a yearly increase in turnover; however, the profit booked last year declined primarily due to a significant rise in administrative expenses and depreciation costs associated with the newly established processing facility.

**Active Membership:** With a significant member strength of 635 farmers, DNT has demonstrated consistent involvement across years. The huge increase in turnover indicates deep member participation in aggregation and processing functions.

**Women in Management:** Only one woman on the board shows a gap in inclusive governance. Gender equity efforts and training for potential women leaders would benefit the governance model.

**Use of Technology:** DNT has adopted technology for cotton oil extraction. Moving forward, digitization of operations (inventory, accounts, e-payments) will be crucial to handle larger scale.

**Value Addition & Processing:** Major achievement in setting up a Cotton Seed Oil Extraction Unit, adding significant value to the crop. Sale of by-products like cotton cake further strengthens revenue streams.

**Marketing Channels:** Successfully connected to markets for cotton oil and cake. These channels can be expanded to bulk institutional buyers, FMCG companies, and digital B2B platforms.



Mesram Maru,  
Telangrao guda Village,  
Adilabad.

"Through the FPO, I got access to timely loans and help with ginning and fencing. If they add more training on new tools like drones and give better input support, it will benefit us even more."



**Credit Linkages:** FPO has availed combined Rs. 385 lakhs from NABKISAN, HDFC, SBI and Adilabad DCCB. Further access to term loans for machinery or working capital from NABARD, SFAC, or local banks is essential.

**Statutory Compliance:** Registered entity with clear operational activities. For continued growth, regular audits, GST filings, and ROC compliance must be diligently maintained.

**Non-Credit Activities:** Manages a Custom Hiring Center (CHC) and delivers value-added products, offering services beyond credit or input supply.

**Achievements:** This FPO has added value to cotton by establishing a cotton seed oil extraction unit. It has successfully created market linkages for cotton oil and cotton cake, and has developed its own brand, DNT.

**Sustainability:** With multi-crop operations, strong value chain interventions, and existing market linkages, the FPO has high potential for sustainability, provided governance and credit management are strengthened.

**Role played by POPI so far:** The institution is actively involved in mobilizing BoDs and farmers, engaging them through various capacity-building and development programs. The continuous involvement of the POPI is clearly reflected in the FPO's infrastructure development and overall institutional growth.

## 2.5. Laxmipur Farmers Producers Company Ltd.

|   |  |  |
|---|--|--|
| <b>Location</b><br>Laxmipur Jagital                       | <b>Dt. Of Registration:</b><br>25 September 2018 | <b>CIN</b><br>U01114TG2018PTC127116          |
| <b>Business Activity</b><br>Input supply, Godown Facility |  | <b>Commodities</b><br>Paddy, Turmeric, Maize |

### Organizational Details:

**Membership:** 572 Farmers as Members

**Equity mobilized:** Rs. 5,72,000/-

**Details of POPI:** Jana Vikas Rural Development Society (JVRDS)

**CEO:** Y Thirupathi reddy

**BoD:** Represented by 10 Members (8 Men +2 Woman)

**Employees:** CEO+2 Employees



### Business of the FPO:

| Year    | Turn over     | Profit    |
|---------|---------------|-----------|
| 2021-22 | Rs. 13,96,181 | Rs. 2,955 |
| 2022-23 | Rs. 65,98,403 | Rs. 2,688 |
| 2023-24 | Rs. 70,00,000 | Rs. 3,000 |

The above table indicates a yearly increase in both turnover and profits; however, the growth in profits is not proportional to the rise in turnover. This is mainly due to the complexities of the input business, which, despite handling large volumes, contributes relatively little to overall profit margins.

**Active Membership:** A sizeable member base is actively contributing to procurement and storage activities. Turnover data shows fluctuations, but member commitment remains steady due to storage support and market facilitation.

**Business operations up-taken by FPO so far:** The FPO started as input services centre and provided low-cost inputs to the farmers further established godowns for the storage charging members nominal costs for the crop produce storage.

**Women in Management:** Two women directors indicate basic gender representation. With leadership training and dedicated roles, their involvement in decision-making can be strengthened.

**Use of Technology:** Limited technology in current operations. There is a need to integrate digital tools for warehouse management, procurement tracking, and digital payments.

**Value Addition & Processing:** No major processing units yet, but the godown facility offers potential for bulk procurement and packaging. Investment in turmeric drying or maize shelling units could be next steps.

**Marketing Channels:** Offline channels in partnership with IFFCO and other local buyers enhanced input supply to the farmer members. Further marketing partnerships and exploring bulk institutional sales could enhance returns.

**Credit Linkages:** FPO has availed Rs. 30 Lakhs from Telangana Grameena Bank for the construction of godown. Further, loans for working capital, particularly to expand godown usage and aggregation, are needed and can be sourced through FPO-targeted financial schemes.

**Statutory Compliance:** Compliant in terms of registration. Emphasis on timely filing of annual returns and bookkeeping is essential for accessing institutional support.

**Non-Credit Activities:** Input supply and warehousing support are key services provided to members, aiding in crop storage and input availability.

**Achievements:** This FPO has established a market linkage with IFFCO and has also set up a godown to facilitate efficient storage of agricultural produce.

**Sustainability:** The FPO's infrastructure and local collaborations support its base. Scaling operations and adding value chain services will enhance long-term viability.



**Pannala Thirupathi Reddy**  
Laxmipur Village  
Jagitayal Dist.

“Through FPO I have benefitted from low-cost inputs and storage facility for my Turmeric and paddy crop in seasons. Further enhancing of services through drones and procurement and processing activities for Turmeric will benefit more”

**Role played by POPI so far:** The Promoting Institution mobilizes BoDs and farmers through various developmental programs. Its handholding support is evident from the godown construction and rising turnover of the FPO

## 2.6. Gumlapur Farmers Producers Company Ltd.

|   |                                    |   |
|---|------------------------------------|---|
| <b>Location</b><br>Choppandadi, Karimnagar                | <b>Dt. Of Registration</b><br>2019 | <b>CIN</b><br>U01100TG2019PTC129709         |
| <b>Business Activity</b><br>Input supply, Godown Facility |                                    | <b>Commodities</b><br>Paddy, Cotton, Maize. |

### Organisational Details:

**Membership:** 535 Farmers as Members

**Equity Mobilized:** Rs. 5,35,000/-

**Nature of Support:** Input supply

#### Details of POPI:

Jana Vikas Rural Development Society (JVRDS)

**CEO:** B Rajasekhar

**BoD:** Represented by 10 Members (6 Men +4 Woman)

**Employees:** CEO



### Business of the FPO:

| Year    | Turn over     | Profit    |
|---------|---------------|-----------|
| 2021-22 | Rs. 3,29,100  | Rs. 1,821 |
| 2022-23 | Rs. 11,89,501 | Rs. 2,767 |
| 2023-24 | Rs. 16,25,600 | Rs. 920   |

The table indicates a consistent yearly increase in turnover and profits. However, a decline in profit is observed in the last financial year, primarily due to increased interest payments incurred for the construction of a warehouse facility under capital investment.

**Non-Credit Activities:** Offers input supply and storage support.

**Active Membership:** A smaller but growing FPO with 300 members who actively participate in input purchase and aggregation. The upward trend in turnover is a positive indicator of engagement.

**Women in Management:** Women represent 40% of the BoD. This balance provides a good foundation for gender-inclusive governance. Targeted leadership development could strengthen their contribution.

**Use of Technology:** Tech adoption is minimal. Tools like mobile-based procurement tracking, e-ledgers, and crop advisory apps would improve productivity and decision-making.

**Value Addition & Processing:** No direct processing reported. Mini units for maize dehusking or cotton packaging could be explored based on crop profile.

**Marketing Channels:** Traditional channels are used. Tying up with government procurement schemes or participating in state-level FPO networks can broaden market access.

**Credit Linkages:** FPO has availed Rs. 5 lakhs from Samunnati and has successfully repaid it. Basic revolving fund or microfinance access would help improve liquidity and fund seasonal procurement.

**Statutory Compliance:** Active and registered. Monitoring of filing timelines and updates in ROC are critical to maintain operational status.

**Sustainability:** With a compact but cohesive structure and inclusive board, this FPO has a sustainable base. It needs support to scale operations and build marketing capacity.

**Role played by POPI so far:** The Promoting Institution plays a key role in engaging BoDs and farmers through diverse capacity-building initiatives. Its continued guidance is reflected in the construction of a godown and the steady growth in the FPO's turnover.



**Ms. D. Jamuna**

“Through FPO I have benefitted from low-cost inputs and storage facility for my Maize and paddy crop in seasons. Further enhancing of services through drones and procurement activities for maize will benefit more”



## 2.7. NKattangur Farmers Producers Company Ltd.

|  |  |                                      |
|--|--|--------------------------------------|
| <b>Location</b><br>Kattangur, Nalgonda   | <b>Dt. Of Registration</b><br>13 January 2019    | <b>CIN</b><br>U01100TG2019PTC1390167 |
| <b>Business Activity</b><br>Input supply, Processing and Value addition,<br>Procurement Under MSP, Custom Hiring Center (CHC). | <b>Commodities</b><br>Paddy, Lemon, Sweet limes. |                                      |

### Organizational details:

**Membership:** 1092 Farmers as Members

**Equity Mobilized:** Rs. 10,90,000/-

**Nature of Support:**

**Details of POPI:** Integrated Rural Development Society

**CEO:** G. Naresh

**BoD:** Represented by 10 members (8 Man +2 Woman)

**Employees:** CEO+5 Employees



### Business of the FPO:

| Year    | Turn over     | Profit     |
|---------|---------------|------------|
| 2021-22 | Rs. 36,15,467 | Rs. 86,023 |
| 2022-23 | Rs. 33,96,437 | Rs. 36,254 |
| 2023-24 | Rs. 94,89,562 | Rs. 50,146 |

The above table shows yearly increase in Turnover but the decrease in profits mainly due to lack of effective usage of the infrastructure created with piling up interests and depreciation costs.

**Active Membership:** The largest FPO in terms of member count among the 14 FPOs under this study. High turnover and active participation across procurement, processing, and direct marketing reflect robust member engagement.

**Business operations up-taken by FPO so far:**

The FPO started as input services centre along with custom hiring centre and provided low-cost inputs to the farmers further established godowns, cold storage facilities and primary processing facility for citrus fruit. With the support from SHG recently it has ventured into pickle making, drying of curry and drum stick leaves for powder making and marketing them by partnering with co-branding institutions.



**K. Raju,**  
Gangadevigudem village,  
Kattangur.

**Women in Management:** Two women on the board. While participation is present, more leadership roles for women could ensure better inclusion and reflect the diverse member base.

**Use of Technology:** Efficient use of solar cold rooms and integrated pack house for citrus fruits. Digital inventory and logistics platforms can further strengthen the cold chain efficiency.

“FPO with all the infrastructure facilities right from input with custom hiring services to processing and cold storage facilities empowered local communities. Now, own produce is getting more price at my own farm gate.”

**Value Addition & Processing:** Lemon pickle production and citrus processing are key value-addition activities. The FPO also avoids middlemen by selling directly in Rythu Bazar.

**Marketing Channels:** Strong offline presence via dedicated stalls and local market tie-ups. Online platforms, agri-produce aggregators, and branding initiatives can scale revenue.

**Credit Linkages:** Capital-intensive activities uptaken indicate some level of financial linkage. In the process, FPO has availed Rs. 20 Lakhs from NABKISAN. Strategic credit planning can help sustain and expand cold chain operations.

**Statutory Compliance:** Compliant and fully operational. Timely filings and auditing are essential to continue leveraging government and institutional partnerships.

**Non-Credit Activities:** Provides CHC services, pack house operations, and facilitates local processing. Such services diversify revenue and empower members.

**Achievements:** This FPO has mobilized 1,092 farmers and developed its own brand. It has undertaken value addition in lemon through pickle processing and established an integrated pack house along with solar cold rooms to prevent distress sales. Additionally, the FPO has started its own outlet in Rythu Bazar, eliminating the involvement of middlemen.

**Sustainability:** Integrated infrastructure, processing capabilities, and market independence make this FPO one of the most sustainable. Continued innovation and leadership development are key to future success.

**Role played by POPI so far: IRDS** The Promoting Institution engages BoDs and farmers, with its commitment reflected in infrastructure growth, scheme convergence, and expert support.

## 2.8. Mangalthanda Farmers Producers Company Ltd.

|   |   |                                     |
|---|---|-------------------------------------|
| <b>Location</b><br>Athamakur, Suryapet.   | <b>Dt. Of Registration:</b><br>14 November 2018 | <b>CIN</b><br>U01820TG2018PTC128280 |
| <b>Business Activity</b><br>Input supply, Paddy Procurement, Custom Hiring center |   | <b>Commodities</b><br>Paddy, Cotton |

### Organizational details:

**Membership:** 508 Farmers as Members

**Details of POPI:** Society for Women Education and Environment Trainings (SWEET)

**CEO:** R. Venkanna

**BoD:** Represented by 10 Members (10 Male)

**Employees:** CEO+ 1 Employee

### Business of the FPO:



| Year    | Turn over     | Profit     |
|---------|---------------|------------|
| 2021-22 | Rs. 58,34,000 | Rs. 24,000 |
| 2022-23 | Rs. 11,40,000 | Rs. 9,000  |
| 2023-24 | Rs. 44,85,000 | Rs. 48,000 |



The above table shows dip in turnover and profit in year 2022-23 mainly due to the administrative difficulties in the operations of business by lack of CEO. But gained momentum early after new joining of efficient CEO.

**Active Membership:** The FPO has maintained consistent engagement from its 508 members. Regular paddy procurement and the use of mobile transportation vans reflect member trust and service delivery.

**Business operations up-taken by FPO so far:**

The FPO started as input services centre and provided low-cost inputs to the farmers further established procurement centre for paddy from state government.

**Women in Management:** Currently an all-male board. The absence of women in decision-making roles is a gap that can be addressed through gender sensitization and the inclusion of women in future elections.

**Use of Technology:** Introduction of mobile transportation vans is a logistical innovation. Future scope includes route optimization tools, digital ledgers, and inventory tracking systems.

**Value Addition & Processing:** Paddy procurement is operational, but there is potential to establish primary processing facilities like mini rice mills or seed production and processing facilities.

**Marketing Channels:** Uses local offline sales and community-based procurement. Direct linkages with millers and traders and participation in public procurement programs can improve revenue.

**Credit Linkages:** FPO has availed Rs. 5 Lakhs from TGB for working capital requirements, further scope in procurement and seed processing facility requires credit facility.



**Hema Naik,**  
Bajanathanda village,  
Suryapet dist.

“Through FPO, I got Access to quality inputs at lower prices, better market linkages for paddy procurement, and increased awareness of FPO benefits have improved our income and decision-making. Further Seed production promotion through FPO in locality can increase benefit.”

**Statutory Compliance:** Basic registration appears complete. Financial reporting and regulatory compliance practices need to be institutionalized for better governance.

**Non-Credit Activities:** Facilitates member transport and aggregation.

**Achievements:** FPO has made significant strides in supporting local farmers and successfully established a paddy procurement center, providing farmers with a reliable avenue to sell their produce at fair prices. Additionally, he launched a mobile van service, offering transportation solutions to help members efficiently move their goods. These efforts have greatly enhanced the operational capabilities and market access for the farmers, contributing to their economic empowerment.

**Sustainability:** Establishing seed production and processing facilities involving member farmers can improve business opportunities there by supporting long-term sustainability.

**Role played by POPI so far:** SWEET played a crucial role in uptaking paddy procurement centre motivating farmers and sensitising state officials on its role of FPO.

## 2.9. Samisthi Farmers Producers Company Ltd.

|  |  |   |
|--|--|---|
| <b>Location</b><br>Velchal, Vikarabad  | <b>Dt. Of Registration</b><br>8 January 2019 | <b>CIN</b><br>U0110TG2019PTC130205        |
| <b>Business Activity:</b><br>Input supply, Paddy Procurement, Custom Hiring center |  | <b>Commodities:</b><br>Cotton, Vegetables |

### Organizational Details:

**Membership:** 500 Farmers as Members

**Equity Mobilized:** Rs. 5,00,00/-

**Details of POPI:** READ NGO

**CEO:** Srinivas

**BoD:** Represented by 10 Members (10 Male)

**Employees:** CEO+ 1 Employee



### Business of the FPO:

| Year    | Turn over     | Profit     |
|---------|---------------|------------|
| 2021-22 | Rs. 3,77,990  | Rs. 31,475 |
| 2022-23 | Rs. 12,91,675 | Rs. 61,492 |
| 2023-24 | Rs. 27,92,859 | Rs. 23,071 |

The above table shows increase in turnover steadily but profit is decreased in the last year due to loss in vegetable marketing business. FPO has seen around Rs. 40,000/- loss due to the rejections in the quality from buyer.

**Active Membership:** The FPO has 500 registered farmers who actively contribute to procurement and marketing. Rising turnover reflects operational efficiency and growing farmer interest.

**Women in Management:** No women representation. Building capacity among female members and creating opportunities for their inclusion in leadership is essential.

**Use of Technology:** Basic record-keeping and procurement tools are in use. Incorporating digital accounting, real-time crop tracking, and mobile-based market advisories will optimize operations.

**Value Addition & Processing:** Currently, no significant processing activity is reported. Mini-processing units for vegetables or dal milling for redgram could be developed with support.

**Marketing Channels:** Mostly offline, relying on traditional channels. Introducing digital platforms for local produce, bulk supply to aggregators, or linking to government supply chains is recommended.

**Credit Linkages:** FPO has availed Rs. 5 Lakhs from Samunnati as working capital. Given the potential for vegetable and flower business require loans for cold storage facility and other infrastructure development.



**M Mall Reddy**  
Member

"Through FPCL, I sold my vegetables, rose flowers and received inputs at lower costs but some of the services stopped due to financial crunch and weak market linkages. Going forward, we hope for stronger market linkages, and support from the government."

**Statutory Compliance:** Basic compliance is present. Periodic financial auditing and transparent reporting systems will strengthen trust among stakeholders.

**Non-Credit Activities:** Supports members through input provision and aggregation. New activities like capacity building and awareness sessions can improve member welfare.

**Sustainability:** Well-positioned for expansion. Sustainability depends on governance diversity, financial linkage, and adopting suitable post-harvest technologies.

**Role played by POPI so far:** READ Institution played a key role in market linkages and networking for the FPO.

## 2.10. Wanaparthi Girijana Fruit Producers Company Ltd.

|  |   |                                     |
|--|---|-------------------------------------|
| <b>Location</b><br>Kothakota, Wanaparthi   | <b>Dt. Of Registration</b><br>26 June 2018    | <b>CIN</b><br>U01110TG2018PTC125321 |
| <b>Business Activity</b><br>Input supply, Procurement, Processing and Value Addition | <b>Commodities</b><br>Mango, Paddy, Groundnut |                                     |

### Organizational Details:

**Membership:** 500 Farmers as Members

**Equity Mobilized:** 5,00,000/-

**Details of POPI:** Society for Integration and Rural Development

**CEO:** E. Mallikarjun

**BoD:** Represented by 10 members (7 Male+3 Female)

**Employees:** CEO+1 Employee



### Business of the FPO:

| Year    | Turn over    | Profit    |
|---------|--------------|-----------|
| 2021-22 | Rs. 3,79,768 | Rs. 5,363 |
| 2022-23 | Rs. 6,94,770 | Rs. 5,409 |
| 2023-24 | Rs. 4,15,500 | Rs. 2,852 |

The above table shows increase in turnover and profits increasing but drops in last year majorly due administrative problems and irregular involvement of CEO.

**Active Membership:** A steady member base is maintained with emphasis on seasonal procurement. Services like input supply and limited processing help retain engagement.

**Women in Management:** Three women directors offer moderate representation. With focused orientation programs, their role in financial and market decisions can be expanded.

**Use of Technology:** Minimal technology in use. Digitization of procurement data, market price alerts, and real-time inventory updates are key next steps.

**Value Addition & Processing:** Limited value addition reported. Setting up mango pulp processing or groundnut shelling can add significant value to member produce.

**Marketing Channels:** Primarily local offline sales. Better linkages to mango traders, pulp units, or bulk buyers through FPO marketing federations could help.

**Credit Linkages:** FPO has availed Rs. 11.72 lakhs loan from NABKISAN. Access to fruit crop-specific schemes or capital loans would strengthen processing and marketing infrastructure.

**Statutory Compliance:** Registered and functional. Encouraging internal audits, compliance tracking, and transparency measures will improve efficiency.

**Non-Credit Activities:** Provides input distribution and seasonal procurement. Skill training on fruit grading and packaging will enhance product quality.



**Rattavath Balya Nayak**  
Wanaparthi FPO

"The continuous availability of quality inputs, better pricing through custom hiring centres, and training sessions on new technologies have significantly improved my productivity. Regular BoD meetings and awareness programs can further enhance FPO benefits for all members."



**Sustainability:** Focus on high-value crops like mango and groundnut gives this FPO a unique edge. Value addition and market expansion are needed for long-term sustainability.

**Role played by POPI so far:** SIRD supports the engagement of BoDs and farmers through various programs. However, CEO involvement in FPO growth is lacking, and the institution should work on this for further development.

## 2.11. Nawabpet Farmers Producers Company Ltd.

|  |                            |                       |
|--|----------------------------|-----------------------|
| <b>Location</b>  | <b>Dt. Of Registration</b> | <b>CIN</b>            |
| Nawabpet, Mahabubnagar.                                  | 2 <sup>nd</sup> April 2019 | U01400TG2019PTC131799 |
| <b>Business Activity</b>                                 | <b>Commodities</b>         |                       |
| Input supply, Procurement, Processing and Value Addition | Paddy, Redgram, Maize      |                       |

### Organizational Details:

**Membership:** 636 Farmers as Members

**Nature of Support:** Input supply.

Equity Mobilized: Rs. 6,36,000/-

**Details of POPI:** Eco Club

**CEO:** Mahesh

**BoD:** Represented by 10 members

(9 Male+1 Female)

**Employees:** CEO only

### Business of the FPO:



| Year    | Turn over     | Profit     |
|---------|---------------|------------|
| 2021-22 | Rs. 43,58,468 | Rs. 13,643 |
| 2022-23 | Rs. 45,46,201 | Rs. 18,850 |
| 2023-24 | Rs. 39,35,119 | Rs. 11,858 |

The above table shows increase in turnover and profits increasing but drops in last year majorly due competition from the local traders.

**Active Membership:** A healthy membership base of 636 farmers. Stable turnover over the years shows consistent farmer interest in aggregation and input-related services.

**Women in Management:** Minimal presence of women (1 board member). Enhancing their participation through dedicated training can improve governance diversity.

**Use of Technology:** Limited adoption. Introducing basic financial software, procurement tracking tools, and advisory apps will increase productivity and reduce manual errors.

**Value Addition & Processing:** No existing processing infrastructure. Based on crop profile, opportunities exist in mini dal mills and maize shelling units.

**Marketing Channels:** Offline marketing through local traders is dominant. Strengthening institutional partnerships and exploring online platforms will widen market scope.

**Credit Linkages:** FPO has availed 15 lakhs loan from Indian bank in 2022 and 20 lakhs from NABKISAN in 2023 for working capital, but required capital investment for expanding operations and infrastructure investment.

**Statutory Compliance:** Registered and active.

Compliance with financial audits and timely returns is crucial for long-term institutional support.

**Non-Credit Activities:** Provides input supply and member training in good agricultural practices. Including market awareness and price forecasting workshops can add further value.

**Sustainability:** Well-positioned in terms of crop mix and member strength. Strategic investments in processing and governance training will improve sustainability.



**N. Ramulu,**  
Member

"After joining the FPO, I now get timely inputs at fair prices. If we get a local procurement center and more awareness, it will help us even more."

**Role played by POPI so far:** ECO Club engaged them through various developmental programs. However, the institution needs to strengthen its efforts in establishing effective output market linkages and involving other key stakeholders for broader impact.

## 2.12. Kakarvai Farmers Producers Company Ltd.

|   |  |                                     |
|---|--|-------------------------------------|
| <b>Location</b><br>Kakarvai, Khammam      | <b>Dt. Of Registration</b><br>18 December 2018 | <b>CIN</b><br>U01113TG2018PTC129353 |
| <b>Business Activity</b><br>Input supply. | <b>Commodities</b><br>Paddy, Cotton, Chilli    |                                     |

### Organizational Details:

**Membership:** 500 Farmers as Members

**Equity Mobilized:** 5,00,000/-

**Details of POPI:** Society for Advancement of Individual (SAI)

**CEO:** K. Srinivasa Reddy

**BoD:** Represented by 10 members (8 Male + 2 Female)

**Employees:** CEO+2 Employees



### Business of the FPO:

| Year    | Turn over     | Profit       |
|---------|---------------|--------------|
| 2021-22 | Rs. 3,95,550  | Rs. 18,661   |
| 2022-23 | Rs. 50,84,683 | Rs. 1,85,035 |
| 2023-24 | Rs. 51,42,151 | Rs. 3,19,899 |

The above table shows increase in turnover and profits increasing. FPO is into better marketing of inputs but credit system in the input sector is limiting margins.



**Active Membership:** 500 members consistently engaged, with significant business growth across years. Strong revenue trends reflect increasing farmer involvement.

**Women in Management:** Women have limited representation. Additional training and leadership roles for women will build inclusive decision-making.

**Use of Technology:** Currently not highlighted. The FPO should explore digital procurement tools, accounting software, and simple ICT for advisory dissemination.

**Value Addition & Processing:** No details on processing. Considering the chilli and cotton crop base, options include cotton ginning or chilli drying and packaging.

**Marketing Channels:** Offline, trader-based sales dominate. Direct tie-ups with chilli exporters or spinning mills can improve margins.

**Credit Linkages:** Given rising turnover, the FPO may require term credit. Accessing agri-business development funds or equipment loans is advised.

**Statutory Compliance:** Registered with compliance indicated. Regular monitoring and professional audit support will enhance transparency.

**Non-Credit Activities:** Aggregation and supply of inputs are key services. Adding awareness programs on market pricing and weather updates will benefit members.

**Sustainability:** Consistent revenue growth and balanced commodity mix position this FPO for sustained growth. Strategic planning and investment in value addition will support future success.

**Role played by POPI so far:** SAI is actively involved in organizing various capacity-building and development programs. However, there is a need for the institution to strengthen output market linkages and enhance collaboration with other relevant stakeholders to improve overall effectiveness.



**P. Sambayya**  
Member

“Through the FPO, we received improved input services, access to custom hiring centres, and skill-based training. Publishing these benefits more widely will motivate other farmers to join and grow.”

### 2.13. Toopran Farmers Producers Company Ltd.

|   |  |                                     |
|---|--|-------------------------------------|
| <b>Location</b><br>Toopran, Medak         | <b>Dt. Of Registration</b><br>20 November 2018 | <b>CIN</b><br>U01113TG2018PTC128401 |
| <b>Business Activity</b><br>Input supply. | <b>Commodities</b><br>Paddy                    |                                     |

#### Organizational Details:

**Membership:** 500 Farmers as Members

**Equity Mobilized:** Rs. 5,00,000/-

**Nature of Support:** Input supply.

**Details of POPI:** Vision NGO.

**CEO:** K. Raju

**BoD:** Represented by 10 members

(8 Male + 2 Female)

**Employees:** CEO+1 Employees



#### Business of the FPO:

| Year    | Turn over    | Profit     |
|---------|--------------|------------|
| 2021-22 | Rs. 2,99,427 | Rs. 10,436 |
| 2022-23 | Rs. 2,76,355 | Rs. 7,907  |
| 2023-24 | Rs.7,78,375  | Rs. 8,040  |

The above table shows increase in turnover and profits increasing. FPO is into better marketing of inputs but credit system in the input sector is limiting margins.

**Active Membership:** A focused FPO with a steady membership of 500 paddy growers. While turnover has increased over the years, targeted interventions are needed to ensure regular participation and business consistency.

**Women in Management:** With 2 women on the board, there is modest representation. Building their leadership capacity through exposure visits, financial literacy, and training can elevate their role in governance.

**Use of Technology:** Technology use is minimal at present. The introduction of digital platforms for procurement management, e-bookkeeping, and SMS-based price updates can streamline operations and decision-making.

**Value Addition & Processing:** No major value addition is reported. Considering paddy as the major crop, investments in mini rice mills, parboiling units, or packaging solutions would add value and improve returns.

**Marketing Channels:** Sales are routed through traditional traders. Direct linkage with millers, government procurement agencies (under MSP), or cooperative outlets will reduce marketing margins and increase profitability.

**Credit Linkages:** FPO has availed Rs. 5 Lakhs as working capital from Samunnati to run the input business, but more capital infusion is necessary for output business processing and bulk procurement. The FPO can explore NABKISAN, MUDRA loans, or SFAC support to build financial stability.



**V.Narender Reddy**  
Yavapur Village, Medak  
Dist.

"FPO support helped us get better input access, training on new technologies, and awareness on government schemes. If market linkages, fair pricing, and procurement systems improve, we can scale up and benefit more."

**Statutory Compliance:** Basic statutory setup is complete. However, routine filing of returns, financial disclosures, and adherence to MCA norms are vital for long-term credibility.

**Non-Credit Activities:** Currently focused on input supply and aggregation. Training on seed selection, water management, and paddy processing can provide long-term value to members.

**Sustainability:** The FPO has potential to scale if it focuses on infrastructure and value-chain integration. Governance training, especially for board members, will strengthen institutional sustainability.

**Role played by POPI so far:** VISION is actively involved in engaging BoDs and farmers through a range of developmental and capacity-building initiatives. However, it needs to strengthen its focus on building robust output market linkages and involving other key stakeholders to improve overall FPO performance.

## 2.14. Guruvunnapet Farmers Producers Company Ltd.

|  |  |                                       |
|--|--|---------------------------------------|
| <b>Location</b><br>Cherial , Siddipet      | <b>Dt. Of Registration:</b><br>14 May 2018 | <b>CIN :</b><br>U01100TG2018PTC124437 |
| <b>Business Activity::</b><br>Input supply | <b>Commodities:</b><br>Paddy, Cotton       |                                       |

### Organizational Details:

**Membership:** 512 Farmers as Members

Equity Mobilized: Rs. 5,12,000/-

**Details of POPI:** Dhan Foundation

**CEO:** M. Jhansi

**BoD:** Represented by 10 members  
(8 Male + 2 Female)

**Employees:** CEO+1 Employee.



### Business of the FPO:

| Year    | Turn over     | Profit        |
|---------|---------------|---------------|
| 2021-22 | Rs. 24,25,180 | Rs.76,838     |
| 2022-23 | Rs. 47,83,650 | Rs. 42,602    |
| 2023-24 | Rs. 75,04,127 | Rs. -3,82,376 |

**Active Membership:** Membership is strong, but recent decline in profits and a negative net return in 2023–24 indicate operational issues. This needs to be addressed with improved procurement strategies and market linkages.

**Women in Management:** Moderate representation on the board with two women. Capacity-building interventions are needed to involve them in key decision-making areas such as finance and marketing.

**Use of Technology:** Technology usage is minimal. Incorporating mobile-based accounting, real-time stock tracking, and GPS-based logistics can boost transparency and efficiency.

**Value Addition & Processing:** No dedicated processing units reported. Scope exists for cotton baling and paddy milling. Farmer returns can improve significantly through post-harvest value addition.

**Marketing Channels:** Relies mainly on offline channels. Formalizing sales via tie-ups with buyers, contract farming models, and institutional supply chains can improve revenue.

**Credit Linkages:** FPO has availed 9 lakhs as working capital from NABKISAN for Input business. Turnover data suggests internal revenue is insufficient for large-scale activities. Financial planning, coupled with formal credit access from cooperative or commercial banks, is necessary.

**Statutory Compliance:** Basic registration completed. The FPO must address financial loss trends, ensure audit compliance, and possibly reassess its pricing and cost-recovery mechanisms.

**Non-Credit Activities:** Provides input distribution and aggregation. Need to broaden the scope to include trainings on efficient farm practices and risk mitigation.

**Sustainability:** Sustainability is currently challenged by recent financial losses. A turnaround strategy focused on process optimization, value addition, and financial support is crucial.

**Role played by POPI so far:** Dhan Institution is involved mobilisation of BoDs & farmers and engage them through different programs. Further institution needs to work on sufficient linkage for output marketing and engaging other stakeholders.



**B. Kondal**

Guruvannapet village,  
siddipet district.

"Through FPO, I got Inputs for my crop production at reasonable rates. Further if rice milling, market linkages facilities for different rice varieties are improved, we farmers can earn better and grow faster."

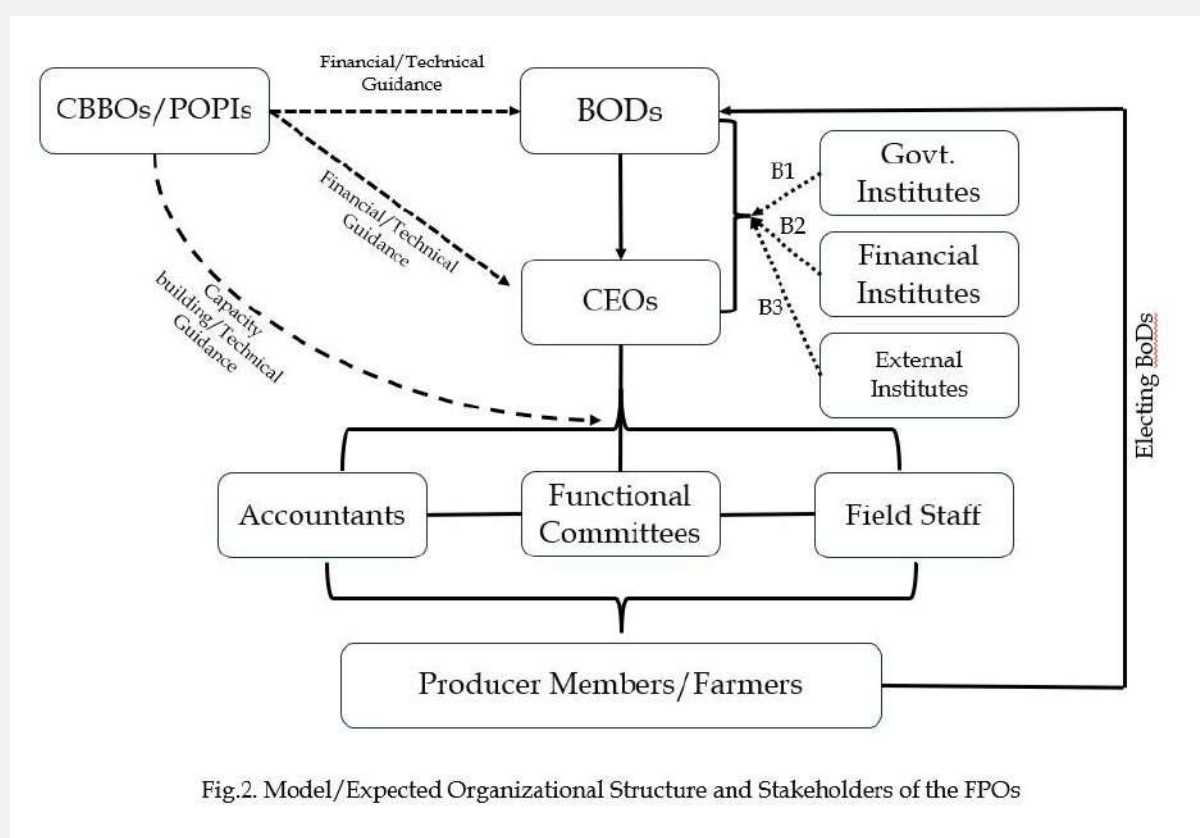


## CHAPTER – 3

### ANALYSIS AND FINDINGS

#### 3.1. Organizational and management structure of FPOs, its effectiveness in operations and governance

The organizational structure and stakeholder relationships within a Farmer Producer Organization (FPO) are given in the Figure 2. The structure highlights the roles and interconnections among various stakeholders, including CBBOs/POPIs, Boards of Directors (BoDs), CEOs/MD, functional committees, field staff, and producer members. It also shows external influences from government, financial, and other institutions.



**CBBOs/POPIs:** Cluster-Based Business Organizations (CBBOs) and Producer Organization Promoting Institutions (POPIs) play a key role in forming and nurturing FPOs by providing capacity-building, financial support, and market linkages. They influence the Board of Directors (BoDs) and CEO/MD through strategic guidance, ensuring sustainability and effective governance.

**BoDs (Board of Directors):** The BoDs, elected from farmer members, oversee the FPO's governance, policy-making, and business strategy. They establish linkages with

government agencies, financial institutions, and external organizations while supervising the CEO/MD to ensure efficient execution of decisions.

**CEO/MD (Chief Executive Officer/Managing Director):** The CEO/MD is responsible for managing the daily operations of the FPO, implementing business strategies, and liaising with financial, governmental, and external bodies. They coordinate with functional committees, field staff, and accountants (A3) to streamline activities and maintain financial stability.

**Functional Committees:** These committees focus on specific areas such as procurement, marketing, finance, and quality control. They assist in policy implementation, operational monitoring, and ensuring the smooth execution of the FPO's business activities.

**Field Staff:** Acting as the bridge between the FPO and farmers, field staff provide on-ground support, conduct training, facilitate data collection, and assist in production, marketing, and logistics to enhance farmer engagement and productivity.

**Accountants:** Responsible for managing financial records, transactions, and tax compliance, accountants ensure transparency in the FPO's financial dealings. They assist in preparing financial statements and reports for funding applications.

**Producer Members/Farmers:** The backbone of the FPO, producer members contribute produce, participate in decision-making, and elect the BoDs. They benefit from collective bargaining, better market access, and improved financial returns through the FPO.

**Government Institutes:** These agencies provide policy support, grants, subsidies, and training programs to strengthen FPOs. They help in legal compliance, financial aid, and market access through various government schemes (B1).

**Financial Institutes:** Banks, NABARD, and other financial institutions offer loans, credit guarantees, and investment support to ensure the financial sustainability of FPOs. They help secure working capital and infrastructure financing (B2).

**External Institutes:** NGOs, research organizations, and private sector players assist FPOs in adopting technology, value addition, certification, and export promotion. They facilitate partnerships for enhanced market reach and business growth (B3).

### 3.1.1. Organization and Management Structure of FPOs

Based on the data provided in Table 3, which outlines the organizational and management structure of 14 Farmer Producer Companies (FPCs) in Telangana, the findings reveal key insights into their governance, membership, staffing, and inclusivity. Most of the FPOs were established between 2018 and 2019, indicating a concentrated effort by NABARD and partner agencies to promote collective farming initiatives in recent years. All FPOs have a Board of Directors (BODs) comprising 10 members, except for DNT FPCL, which has only five. Among these, women's representation varies significantly. Notably, Errabelli Woman FPCL and AGEEWA FPCL have all-women boards, promoting gender inclusivity, whereas Mangalithanda Village FPCL has no women representation at all.

The number of shareholder farmers per FPO ranges from 500 to 1092, with Kattangur FPCL having the highest number of members, reflecting strong community mobilization and possibly better performance or service delivery. All FPOs reported having at least one full-time staff member, with Kattangur FPCL having the most (four), suggesting a better human resource development for operations. Part-time staffing is present in many FPOs, with a few exceptions such as Mangalithanda, Samisthi, and Wanaparthy Girijana FPCL, which do not engage part-time staff, potentially limiting their operational flexibility.

Another key observation is that all FPOs have a CEO in place, which is crucial for professional management and strategic leadership. This indicates a structured approach to administration, aligning with NABARD's guidelines. However, despite this formal structure, disparities in staffing levels and women's participation suggest the need for further capacity building, gender sensitization, and resource allocation to ensure more balanced and effective governance. Overall, the data reflect an encouraging trend toward institutional strengthening of FPOs in Telangana but also highlight areas for targeted interventions to enhance inclusivity and efficiency.

To attract more women members, FPOs should adopt gender-sensitive approaches by conducting targeted awareness campaigns and engaging local women's groups such as SHGs. Offering tailored training in leadership, financial literacy, and agri-entrepreneurship builds confidence and skills among women. Ensuring easy access to credit, input support, and government schemes like MKSP can further encourage



participation. FPOs should also promote women's representation in governance by reserving positions on the Board of Directors and providing mentorship opportunities. Flexible meeting timings, childcare support, and community engagement involving family members can help overcome social barriers. Additionally, promoting women-led enterprises and ensuring their access to markets and branding support can enhance their economic role. Monitoring participation and recognizing active women members with incentives can sustain their involvement and contribution to the FPO.

To address disparities in staffing and operational effectiveness, FPOs should focus on strengthening their human resource capacity by hiring more full-time staff and engaging skilled part-time professionals. Capacity-building programs for CEOs, board members, and staff can enhance governance and operational efficiency. Promoting women's participation in leadership roles and forming women-centric FPOs fosters inclusivity. Accessing government schemes and financial support from agencies like NABARD and SFAC can bolster resources, while mobilizing more shareholder farmers enhances sustainability. Leveraging technology through digital tools and AI-based analytics can streamline operations and improve decision-making. Finally, strengthening market linkages by connecting directly with buyers, promoting value addition, and exploring e-commerce platforms can boost income and reduce dependency on intermediaries.

### **3.1.2. Decision and Governance among FPOs**

The governance structure of FPOs, as reflected in the data (Table 4), indicates that decision-making is primarily shared between CEOs and Boards of Directors (BoDs), with operational and financial decisions predominantly made by both entities. However, marketing decisions often remain CEO-driven, except in a few FPOs where the BoDs are involved. This suggests a need for a more collaborative marketing approach to enhance market access and strategic planning.

Board selection through elections is a common practice, ensuring democratic governance, though some FPOs follow unanimous selection, which may impact transparency. Member participation in General Body Meetings (GBMs) varies widely, from 40% to 90%, indicating differences in engagement levels across FPOs. Higher participation rates, as seen in Errabelli Woman FPCL and Guruvannapet FPCL (90%), suggest strong member involvement, while lower participation in certain FPOs may

indicate a need for greater awareness and engagement strategies. Strengthening governance through capacity-building initiatives, transparent decision-making, and improved communication with members can enhance participation and overall FPO effectiveness.

Member feedback plays a crucial role in shaping the decisions made by FPOs, influencing governance, operational efficiency, and market strategies. Active participation in General Body Meetings (GBMs), as seen in the given data, ensures that members' concerns, needs, and suggestions are incorporated into decision-making. Higher engagement levels (e.g., 90% in Errabelli Woman FPCL and Guruvannapet FPCL) indicate that farmers are actively contributing to discussions on financial planning, marketing, and operational improvements.

Feedback helps FPOs identify challenges, such as pricing issues, input procurement difficulties, and market access constraints, allowing leadership to make informed, member-driven decisions. It also strengthens trust and accountability within the organization. FPOs with lower participation (e.g., 40% in Gumlapur FPCL) may struggle with inclusivity in decision-making, necessitating better communication channels such as regular consultations, surveys, and digital platforms for feedback collection. Encouraging a feedback-driven approach ensures that FPOs remain aligned with the needs of their shareholder farmers, leading to improved performance and sustainability.

### **3.2. Utility and effectiveness of training and capacity building interventions**

The training and capacity-building efforts undertaken by various FPOs, reflecting their role in farmer empowerment (Table 5). On average, each FPO organized around two (2.36) training programs, primarily conducted by government and NGO agencies, with limited involvement from private entities. Exposure visits were minimal (0.71 per FPO), suggesting a gap in experiential learning opportunities. The Participation of members in FPO activities refers to their active involvement in meetings, trainings, collective marketing, service utilization, and decision-making processes. It was observed that it averaged 69.14%, with some FPOs like AGEWA FPCL (85%) and Kattangur FPCL (85%) demonstrating high engagement, whereas others like Nawabpet FPCL (40%) struggled with lower attendance.

**Table 3. Organization and Management Structure of FPOs**

| Name of FPO                | Year of Establishment | Total BODs | No. of women BOD | No. of shareholder farmers | No. of Full-time staff | No. of Part time staff | CEO Available Yes/No |
|----------------------------|-----------------------|------------|------------------|----------------------------|------------------------|------------------------|----------------------|
| Errabelli Woman FPCL       | 2019                  | 10         | 10               | 521                        | 1                      | 2                      | Yes                  |
| AGEEWA FPCL                | 2018                  | 10         | 10               | 630                        | 1                      | 1                      | Yes                  |
| Nekkondaa FPCL             | 2018                  | 10         | 2                | 505                        | 3                      | 0                      | Yes                  |
| Kattangur FPCL             | 2019                  | 10         | 2                | 1092                       | 4                      | 2                      | Yes                  |
| Mangalithanda Village FPCL | 2018                  | 10         | 0                | 508                        | 2                      | 0                      | Yes                  |
| Kakarvai FPCL              | 2018                  | 10         | 2                | 500                        | 1                      | 1                      | Yes                  |
| Nawabpet FPCL,             | 2019                  | 10         | 1                | 636                        | 1                      | 1                      | Yes                  |
| Samisthi FPCL              | 2019                  | 10         | 3                | 500                        | 2                      | 0                      | Yes                  |
| Wanaparthi Girijana FPCL   | 2018                  | 10         | 3                | 500                        | 2                      | 0                      | Yes                  |
| Laxmipur FPCL              | 2018                  | 10         | 2                | 572                        | 1                      | 2                      | Yes                  |
| Gumlapur FPCL              | 2019                  | 10         | 4                | 535                        | 1                      | 0                      | Yes                  |
| DNT FPCL                   | 2017                  | 5          | 1                | 635                        | 2                      | 2                      | Yes                  |
| Guruvannapet FPCL          | 2018                  | 10         | 2                | 512                        | 2                      | 1                      | Yes                  |
| Toopran FPCL               | 2018                  | 10         | 2                | 500                        | 2                      | 0                      | Yes                  |

**Table 4. Decision and Governance among FPOs**

| Name of FPO                | How Operational Decision are made in FPOs | How Financial Decisions Made in FPOs | How marketing Decisions are made in FPOs | BOD selected Through elections Yes / No | Members actively participate in GBMs in % |
|----------------------------|---|--------------------------------------|--|---|---|
|                            | CEOs/BoDs/CEO+BoDs                        |                                      |  |   |   |
| Errabelli Woman FPCL       | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | Yes                                     | 90.00                                     |
| AGEEWA FPCL                | CEO+BoDs                                  | CEO+BoDs                             | CEO+BOD                                  | Yes                                     | 70.00                                     |
| Nekkondaa FPCL             | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | Yes                                     | 70.00                                     |
| Kattangur FPCL             | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | Yes                                     | 60.00                                     |
| Mangalithanda Village FPCL | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | Yes                                     | 50.00                                     |
| Kakarvai FPCL              | CEO+BoDs                                  | CEO+BoDs                             | CEO+BOD                                  | Yes                                     | 50.00                                     |
| Nawabpet FPCL,             | CEO+BoDs                                  | CEO+BoDs                             | CEO+BOD                                  | Yes                                     | 65.00                                     |
| Samisthi FPCL              | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | Yes                                     | 60.00                                     |
| Wanaparthi Girijana FPCL   | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | unanimous Selection                     | 65.00                                     |
| Laxmipur FPCL              | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | Yes                                     | 50.00                                     |
| Gumlapur FPCL              | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | Yes                                     | 40.00                                     |
| DNT FPCL                   | CEO+BoDs                                  | CEO+BoDs                             | CEO                                      | No                                      | 70.00                                     |
| Guruvannapet FPCL          | CEO+BoDs                                  | CEO+BoDs                             | CEO+BOD                                  | Yes                                     | 90.00                                     |
| Toopran FPCL               | CEO+BoDs                                  | CEO+BoDs                             | CEO+BOD                                  | unanimous Selection                     | 75.00                                     |

The usefulness of training was rated at an average of 3.94 on a 5-point scale, indicating a generally positive perception but leaving room for improvement. FPOs with higher participation rates, such as AGEEWA FPCL (4.53) and Errabelli Woman FPCL (4.25), also reported higher usefulness scores, suggesting a correlation between active involvement and perceived benefits. Low participation in certain FPOs may be due to logistical barriers, lack of awareness, or ineffective training methods. To enhance impact, FPOs should increase exposure visits, incorporate private sector expertise, and customize training to address specific farmer needs, ensuring higher engagement and practical learning outcomes.

To better facilitate training and exposure visits, FPOs can adopt a multi-pronged approach that enhances both the quality and accessibility of learning. Collaborating with government departments, NGOs, and private institutions can bring in technical expertise and funding support, making training more resourceful and structured. On-field and hands-on learning methods are especially effective, as they provide practical insights and real-time understanding to members. Additionally, leveraging digital platforms such as WhatsApp, YouTube, and interactive mobile apps can extend training reach to remote members. Designing training modules that are simple, visual, and delivered in local languages further ensures inclusivity. Organizing regular exposure visits to progressive FPOs, agri-business firms, and research institutions can also inspire members and broaden their perspective. Ensuring post-training follow-ups and feedback sessions will help in refining future programs and building a sustainable learning ecosystem within the FPO framework.

### **3.2.1. Type of Training Programmes**

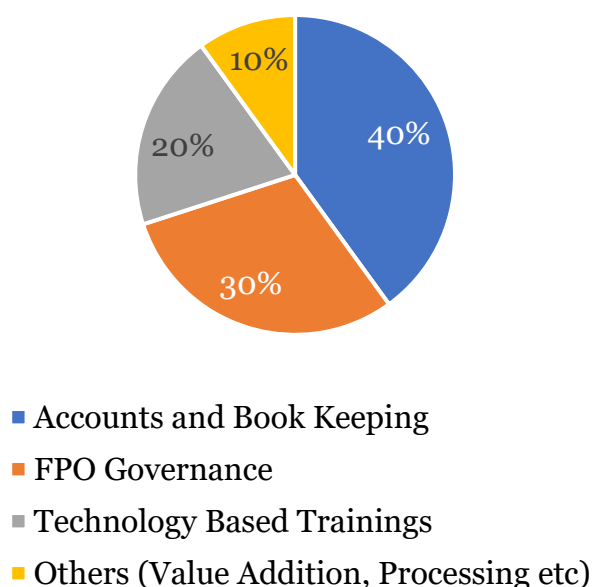
The type of training programmes (Fig 3) conducted by Farmer Producer Organizations (FPOs) reveals valuable insights into the focus areas of capacity-building efforts. The largest portion, 40%, of the trainings is devoted to Accounts and Book Keeping, indicating the high priority given to strengthening the financial literacy and internal record-keeping skills of FPO staff and members. This emphasis reflects the importance of transparent and accountable financial management, which is crucial for building credibility and sustainability in FPO operations.

**Table 5. Usefulness of BoD and CEO training conducted by Resource supporting Agency**

| Name of FPO                | No. of Training Organized by FPO | Training Agency |     |         | Exposure Visits | Participation rate (%) | Usefulness of Training (1-5 Scale) |
|----------------------------|----------------------------------|-----------------|-----|---------|-----------------|------------------------|------------------------------------|
|                            |                                  | Govt.           | NGO | Private |                 |                        |                                    |
| Errabelli Woman FPCL       | 4                                | Yes             | Yes | No      | 1               | 80.00                  | 4.25                               |
| AGEEWA FPCL                | 4                                | Yes             | Yes | Yes     | 1               | 85.00                  | 4.53                               |
| Nekkondaa FPCL             | 4                                | Yes             | Yes | Yes     | 1               | 75.00                  | 4.05                               |
| Kattangur FPCL             | 2                                | Yes             | Yes | No      | 1               | 85.00                  | 4.15                               |
| Mangalithanda Village FPCL | 3                                | Yes             | Yes | No      | 1               | 80.00                  | 3.95                               |
| Kakarvai FPCL              | 2                                | Yes             | Yes | No      | 1               | 70.00                  | 3.63                               |
| Nawabpet FPCL              | 2                                | Yes             | Yes | No      | 0               | 40.00                  | 3.20                               |
| Samisthi FPCL              | 2                                | Yes             | Yes | No      | 1               | 55.00                  | 3.65                               |
| Wanaparthi Girijana FPCL   | 2                                | Yes             | Yes | No      | 0               | 60.00                  | 3.58                               |
| Laxmipur FPCL              | 1                                | Yes             | Yes | No      | 0               | 45.00                  | 3.96                               |
| Gumlapur FPCL              | 1                                | Yes             | Yes | No      | 0               | 68.00                  | 3.69                               |
| DNT FPCL                   | 3                                | Yes             | Yes | No      | 1               | 75.00                  | 4.15                               |
| Guruvannapet FPCL          | 2                                | Yes             | Yes | No      | 1               | 80.00                  | 4.12                               |
| Toopran FPCL               | 1                                | Yes             | Yes | No      | 1               | 70.00                  | 3.95                               |
| <b>Total</b>               | <b>2.36</b>                      |                 |     |         | <b>0.71</b>     | <b>69.14</b>           | <b>3.94</b>                        |

The second-largest category, covering 30% of the trainings, is focused on FPO Governance. This includes training on leadership development, organizational structure, decision-making processes, and compliance with legal frameworks. Strong governance practices are essential for ensuring that FPOs operate democratically, with active participation from members and effective functioning of Boards of Directors (BoDs).

**Fig 3. Type of Training Programmes**



Technology-Based Trainings account for 20%, which suggests a growing but still limited emphasis on digital literacy, the use of agri-tech tools, precision farming methods, and ICT-based decision-making. While this is a positive trend, it also indicates a need for greater push toward modernization and digital integration in FPO activities, especially in an era where digital tools can significantly enhance productivity, market access, and traceability.

The remaining 10% of trainings fall under the "Others" category, encompassing important topics such as value addition, processing, packaging, and marketing. While these areas are crucial for enhancing profitability and establishing strong market linkages, they remain relatively underrepresented in training programs. This limited focus is primarily because most of the FPOs studied are heavily engaged in input supply businesses, which currently serve as their primary revenue stream. Although there is an awareness among FPOs that value addition can significantly increase

income, its scalability and long-term sustainability are challenging due to a lack of technical skills and insufficient capital for setting up value addition infrastructure. This points to a critical gap that must be addressed through targeted capacity building, financial support, and infrastructure development to help FPOs move up the value chain and diversify income opportunities for their member farmers.

The current training focus on accounting and governance is foundational and necessary, there is a strong case for rebalancing the training portfolio. Future efforts should expand the scope of technology adoption and value-chain development to enhance competitiveness, sustainability, and member engagement in FPOs.

To strengthen the capacity of Farmer Producer Organizations (FPOs) and improve their market competitiveness, training programs on value addition should prioritize specific and practical topics aligned with the crops and commodities handled by the members. Firstly, FPOs should focus on primary processing techniques such as cleaning, grading, sorting, milling, and oil extraction, which are essential to enhance product quality and shelf life. For perishable produce, training on dehydration and pasteurization is also vital. Equally important is packaging and branding, where members should learn about suitable packaging materials, labeling norms (including FSSAI compliance), and effective brand building to attract premium markets.

Moreover, FPOs should encourage product development training to help members convert raw produce into market-ready goods like pickles, jams, spice powders, or health-based products. This should be supplemented with modules on costing and pricing to teach members how to calculate production costs, understand value addition margins, and adopt flexible pricing strategies. Additionally, market linkage and supply chain management training will help members identify buyer needs, access online platforms, and establish direct or institutional linkages with APMCs, aggregators, and retail chains.

Quality assurance and certification topics such as hygiene practices, FSSAI registration, organic certification, and GI tagging are crucial for building trust in the products. Training should also include guidance on business planning and entrepreneurship to support members in drafting viable business models, securing finance through loans or government schemes, and scaling up production. Finally, FPOs should promote sustainable and eco-friendly processing methods, including



zero-waste practices, biodegradable packaging, and the use of renewable energy sources like solar dryers. By focusing on these areas, FPOs can empower their members with the skills and knowledge required for sustainable income generation and improved market access.

### **3.3. The impact of various FPO activities on the gross and net income of member farmer on account of timely input supply, productivity increase, crop diversification, mechanization of farm operations, aggregate produce marketing diversified marketing interventions, value addition of produce etc.,**

#### **3.3.1. Impact of FPO on changes in members income**

The data presented in Table 6 highlights the significant impact of Farmer Producer Organizations (FPOs) on the average income levels of their members across various regions. It shows that the average income of member farmers increased from Rs. 2,12,786.71 to Rs. 2,41,592.07 after joining the FPOs, reflecting a notable overall income growth of 12.67%. This positive shift underscores the role of FPOs in enhancing the economic well-being of small and marginal farmers by providing better access to inputs, markets, training, and value chain interventions.

Among the FPOs, Samisthi FPCL recorded the highest percentage increase in income at 35.90%, indicating the success of its interventions in improving productivity and market linkages. This was followed by Mangalithanda Village FPCL (25.04%) and Kakarvai FPCL (21.75%), which also achieved substantial income improvements. These FPOs likely focused on capacity-building, collective marketing, and perhaps introduced profitable value-added activities or input cost reductions.

On the other hand, Wanaparthi Girijana FPCL and Nawabpet FPCL showed comparatively lower increases in income, at 3.23% and 3.92% respectively, suggesting that while benefits existed, they may have faced constraints such as market access issues, inadequate training, or lack of infrastructure. Despite such variations, most FPOs reported positive changes in income, validating the model's effectiveness.

**Table 6. Impact of FPO on changes in members income**

| Name of FPO                | Average Landholding<br>(in Acre) | Income Before FPO<br>(Avg.) | Income After FPO<br>(Avg.) | % Change in<br>Income |
|----------------------------|----------------------------------|-----------------------------|----------------------------|-----------------------|
| Errabelli Woman FPCL       | 2.86                             | Rs.1,45,340                 | Rs.1,76,800                | 19.53                 |
| AGEEWA FPCL                | 3.38                             | Rs.2,16,280                 | Rs.2,46,280                | 12.97                 |
| Nekkondaa FPCL             | 3.97                             | Rs.3,44,820                 | Rs.3,65,720                | 5.88                  |
| Kattangur FPCL             | 5.12                             | Rs.2,13,700                 | Rs.,2,31,120               | 7.83                  |
| Mangalithanda Village FPCL | 4.81                             | Rs.2,20,965                 | Rs.2,84,225                | 25.04                 |
| Kakarvai FPCL              | 2.86                             | Rs.2,32,323                 | Rs.2,89,024                | 21.75                 |
| Nawabpet FPCL,             | 4.26                             | Rs.2,41,406                 | Rs.2,51,080                | 3.92                  |
| Samisthi FPCL              | 3.14                             | Rs.1,11,780                 | Rs.1,60,700                | 35.90                 |
| Wanaparthi Girijana FPCL   | 3.39                             | Rs.1,41,780                 | Rs.1,46,440                | 3.23                  |
| Laxmipur FPCL              | 5.38                             | Rs.3,27,840                 | Rs.3,69,240                | 11.87                 |
| Gumlapur FPCL              | 2.95                             | Rs.1,74,700                 | Rs.1,87,960                | 7.31                  |
| DNT FPCL                   | 5.12                             | Rs.3,08,840                 | Rs.3,35,280                | 8.20                  |
| Guruvannapet FPCL          | 2.75                             | Rs.1,60,800                 | Rs.1,91,500                | 17.42                 |
| Toopran FPCL               | 2.80                             | Rs.1,33,780                 | Rs.1,51,580                | 12.47                 |
| <b>Total</b>               | <b>3.77</b>                      | <b>Rs.2,12,786.71</b>       | <b>Rs.2,41,592.07</b>      | <b>12.67</b>          |

Interestingly, the average landholding size among these FPO members is 3.77 acres, suggesting that the FPO model can deliver income enhancement even for those with modest landholdings. For example, Guruvannapet FPCL with an average landholding of 2.75 acres saw an income increase of 17.42%, reinforcing that land size is not the sole determinant of income growth—rather, collective action, training, and market-oriented strategies matter more.

The FPOs play a transformative role in rural livelihoods by fostering increased incomes. However, the variations among FPOs indicate the need for tailored support based on regional strengths, member capacities, and value chain opportunities to ensure consistent and inclusive growth across all FPOs.

### **3.3.2. Main Reasons for changes in Farmers Income**

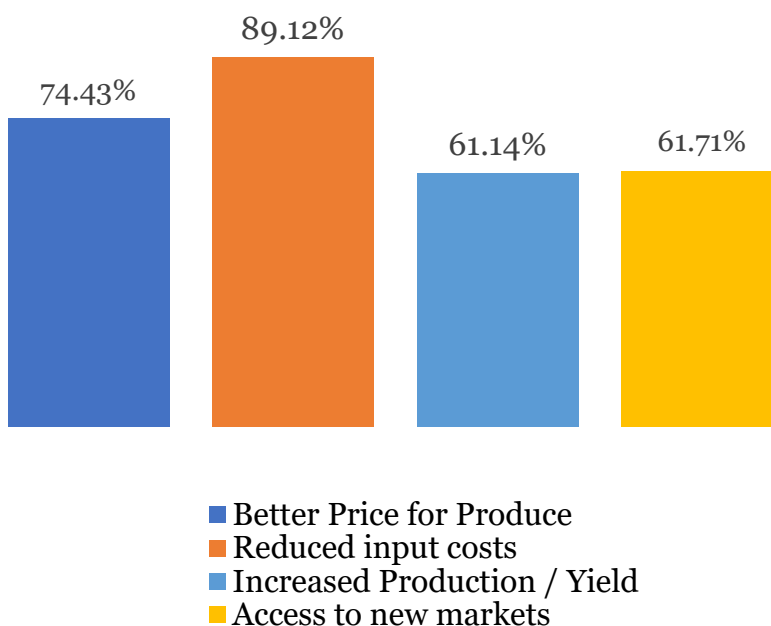
The main reasons for changes in farmers income (Fig 4) highlights the key contributing factors that have influenced income enhancement among farmers associated with Farmer Producer Organizations (FPOs). Among the identified reasons, the most significant impact was seen from reduced input costs, which was cited by 89.12% of respondents. This suggests that collective procurement of inputs such as seeds, fertilizers, and pesticides by FPOs at wholesale prices and in bulk quantities has played a crucial role in minimizing production expenses for member farmers.

The second most important factor was the ability to secure better prices for produce, reported by 74.43% of the farmers. This reflects the FPOs' efforts in aggregating produce and directly linking farmers to institutional buyers, retailers, and bulk purchasers, thereby bypassing middlemen and ensuring improved price realization. Access to new markets, reported by 61.71% of respondents, further supports this notion, highlighting how FPOs have facilitated marketing support, participation in trade fairs, and exposure to digital and e-commerce platforms, all of which have opened new revenue opportunities for smallholder farmers.

In addition, increased production/yield, mentioned by 61.14% of farmers, was another critical factor. This improvement can be attributed to better access to quality inputs, technical guidance, capacity-building programs, and adoption of modern farming practices facilitated through FPOs. These results underscore the multifaceted role of FPOs in improving not just market access and financial returns but also in enhancing

overall productivity and reducing costs through collective action and resource optimization. Together, these factors create a robust support ecosystem for farmers, leading to sustainable income enhancement and economic resilience in rural communities.

**Fig 4. Main Reasons for changes in Farmers Income**



To further reduce input costs for their members, Farmer Producer Organizations (FPOs) can adopt several strategic interventions that capitalize on collective action, market linkages, and local resource optimization. Firstly, bulk procurement of inputs such as seeds, fertilizers, pesticides, and equipment directly from manufacturers or authorized distributors can significantly lower prices by eliminating middlemen and leveraging economies of scale. FPOs can also enter into long-term agreements or MoUs with agri-input companies for consistent supply at discounted rates.

Secondly, promoting the use of locally available organic inputs such as farmyard manure, compost, green manure, and biofertilizers can reduce dependency on expensive chemical inputs. Encouraging on-farm production of inputs, such as preparing vermicompost or biopesticides, through training and support can also minimize external purchases.

Another effective strategy is to set up custom hiring centers (CHCs) within the FPO to share expensive machinery and equipment like tractors, harvesters, and sprayers,

thereby lowering the per-acre input cost for small and marginal farmers. FPOs can further explore government schemes and subsidies for input purchases and facilitate access to credit through institutional tie-ups, enabling farmers to buy inputs at the right time and price.

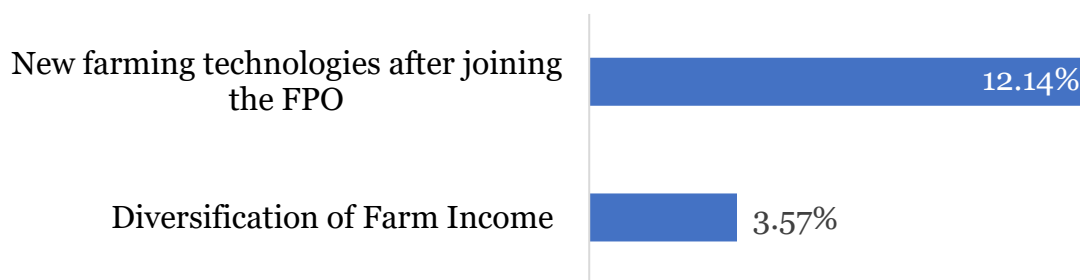
Moreover, leveraging digital platforms to compare prices, track supply chains, and manage inventories can enhance transparency and efficiency in procurement. Conducting regular training and awareness programs on input optimization, integrated nutrient and pest management, and climate-smart practices can reduce unnecessary input usage while improving productivity. By integrating these approaches, FPOs can build a more cost-effective and self-reliant input system for their member farmers.

### **3.3.3. Diversification and Adoption of Technologies**

The diversification and adoption of technologies (Fig 5) highlights the role of Farmer Producer Organizations (FPOs) in enhancing agricultural innovation and income resilience among farmers. According to the chart, 12.14% of farmers adopted new farming technologies after becoming members of an FPO. These technologies include Direct Sowing in Rice, Pheromone Traps, Cotton Management practices, Vermicompost usage, Nano Urea application, SRI (System of Rice Intensification) cultivation, Drone Technology, Zero Tillage, Drum Cultivator usage, Organic Farming, and Drip Irrigation, among others. These innovations reflect a progressive shift towards sustainable and efficient farming practices that help reduce input costs, improve yield, and promote eco-friendly agriculture.

On the other hand, the diversification of farm income was reported by only 3.57% of farmers, indicating that while technological adoption has gained traction, diversification into allied activities remains relatively limited. The diversification activities undertaken by some farmers include marigold cultivation, animal rearing, goat farming, vegetable cultivation, pickle making, and dairy farming. These activities have the potential to create additional income streams and reduce dependency on traditional cropping patterns, especially in the face of climate uncertainties or market volatility.

**Fig 5. Diversification and Adoption of Technologies**



The FPOs are playing a pivotal role in introducing and promoting new technologies, but there is a need for more focused efforts to encourage income diversification. This could include capacity-building programs, access to microfinance, value addition units, and market linkages for non-crop enterprises. Expanding diversification initiatives would not only enhance economic stability for farm households but also contribute to rural employment and resilience of the farming system.

#### **3.3.4. Primary activities undertaken by the FPOs to support its members**

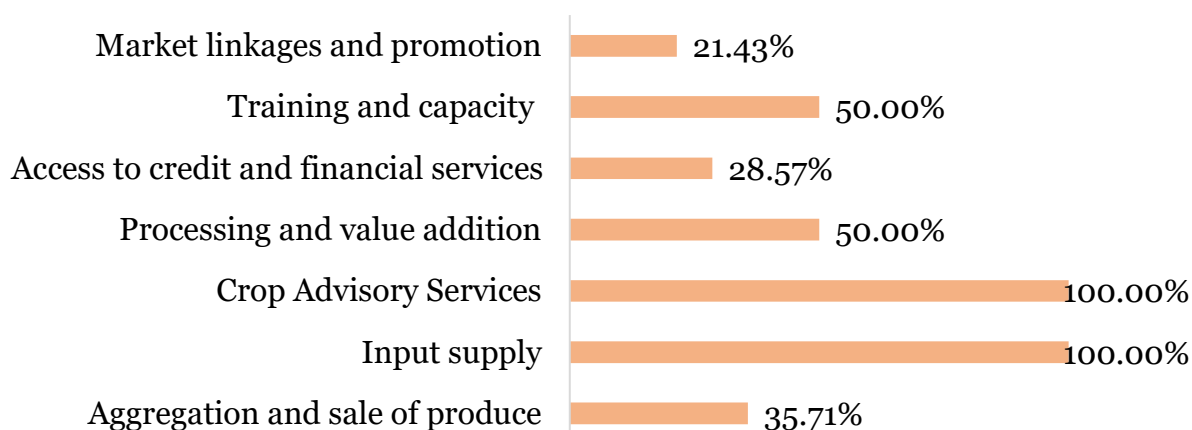
The visual representation of the primary activities undertaken by FPOs to support their members (Fig 6) reveals critical insights into how Farmer Producer Organizations are enabling holistic agricultural development. Notably, 100% of the FPOs are actively engaged in providing Crop Advisory Services and Input Supply, which underscores their essential role in ensuring access to timely and relevant agronomic knowledge as well as affordable and quality agricultural inputs. These interventions are foundational in improving productivity and reducing input costs for member farmers.

Equally significant is the fact that 50% of the FPOs are involved in training and capacity building, and in processing and value addition. These activities indicate a progressive shift towards strengthening the technical skills of farmers and enhancing the market value of produce through post-harvest management. Value addition activities help farmers fetch better prices and reduce wastage, contributing to improved income levels.

However, relatively lower engagement in access to credit and financial services (28.57%) and market linkages and promotion (21.43%), which are vital for the economic sustainability and growth of FPOs. Limited access to institutional finance

can restrict operational capacity, while inadequate market linkages may result in lower price realization for farmers. On the marketing front, there is an absence of integration with e-NAM, ONDC, or institutional procurement systems, and minimal exposure to contract farming or direct market access strategies. The FPOs are also not equipped with real-time market intelligence tools, branding and packaging support, or infrastructure for grading, storage, and value addition. Without these enablers, their ability to secure better prices, reduce intermediation, and scale operations remains limited. Addressing these missing elements through ecosystem-level interventions—including financial inclusion, digital literacy, credit facilitation, and market infrastructure—will be vital for the long-term viability and growth of FPOs in Telangana.

**Fig 6. Primary activities undertaken by the FPOs to support its members**



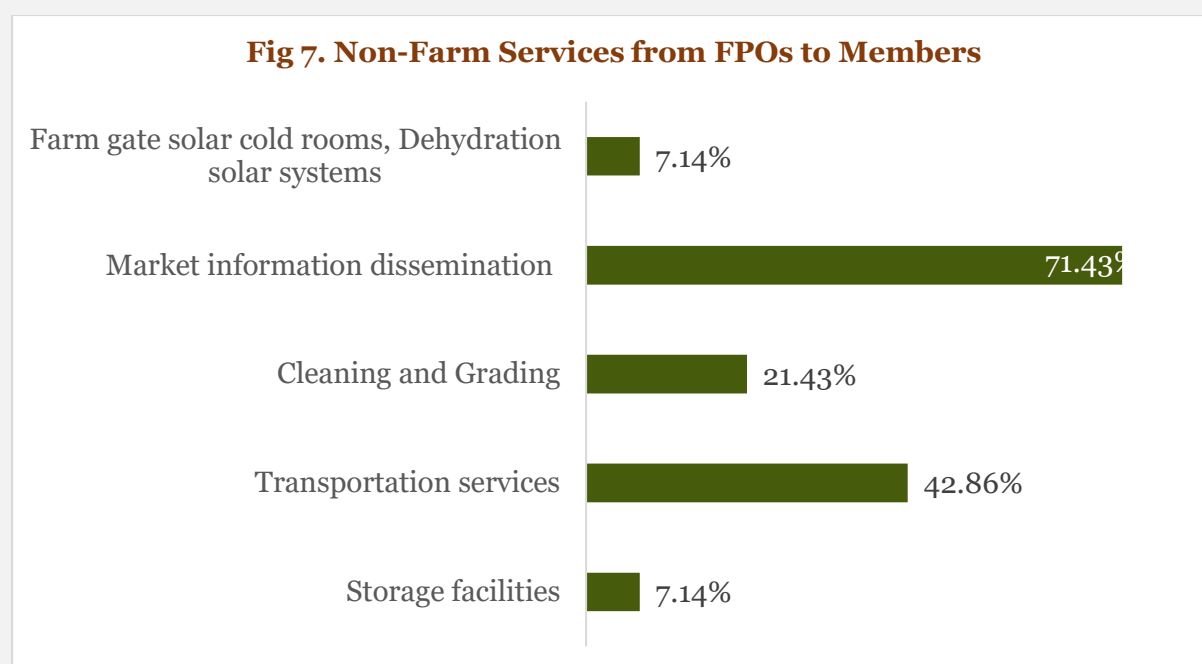
Additionally, 35.71% of the FPOs are involved in aggregation and sale of produce, a core function that helps smallholder farmers overcome the challenges of scale and gain bargaining power in the marketplace. By pooling produce, FPOs enhance farmers' bargaining power, reduce dependence on middlemen, and enable bulk sales to institutional buyers. To fully capitalize on this function, practical steps such as developing basic infrastructure (collection centers, weighing scales, storage units) through schemes like RKVY, AIF, and MIDH are essential. Adoption of digital tools for inventory and harvest tracking can improve efficiency, while capacity-building on aggregation and buyer engagement strengthens management skills. Formal linkages with institutional buyers and onboarding on platforms like e-NAM and ONDC ensure better market access. Linking aggregation to value addition and branding, along with



offering incentives to active contributors, can further boost profitability and scale. The FPOs are performing admirably in input support and advisory services, there is a pressing need to expand activities related to finance, market access, and aggregation. Strengthening these areas would make the FPO model more robust, self-sustaining, and capable of driving inclusive rural economic development.

### 3.3.5. Non-Farm Services from FPOs to Members

The non-farm services from FPOs to members (Fig 7) which Farmer Producer Organizations (FPOs) are offering crucial support services beyond core farming activities, aimed at strengthening the post-harvest value chain and improving market efficiency. The most prominent non-farm service provided by FPOs is market information dissemination, which is offered by 71.43% of the FPOs. This is a highly encouraging trend as timely and accurate market intelligence empowers farmers to make informed decisions regarding when, where, and what to sell, ultimately leading to improved price realization and reduced market exploitation.



Transportation services are the second most common non-farm support activity, being extended by 42.86% of the FPOs. This is an essential function, especially in rural and tribal areas where logistics pose a significant challenge. By providing transport facilities, FPOs not only reduce the burden on individual farmers but also ensure better market access and collective movement of produce, which can improve economies of scale.

Cleaning and grading services are currently provided by only 21.43% of the FPOs, indicating that they are relatively less prioritized despite their crucial role in improving produce quality and meeting market standards. This lower prioritization may be due to several practical constraints. Many FPOs lack the required infrastructure such as cleaning units, grading machines, or trained manpower. Additionally, initial investment costs and limited awareness about the market benefits of standardization may discourage FPOs from adopting these services. Since most FPOs are still focused on basic input supply or aggregation, post-harvest value addition is often seen as a secondary activity. There is also a perception that without assured markets or buyers offering premiums for graded produce, the return on such investments remains uncertain. As a result, cleaning and grading are often overlooked, despite their potential to significantly boost income by enabling access to premium markets, exports, and organized retail. Scaling up support for these services through infrastructure grants, buyer linkage facilitation, and technical training is essential to mainstream them in FPO operations.

A matter of concern is extremely limited availability of storage facilities and farm gate solar cold rooms or dehydration systems—found in only 7.14% of FPOs—reflects a major infrastructural gap largely due to high initial investment costs, lack of technical know-how, and limited awareness of long-term benefits. Many FPOs also face challenges such as absence of land ownership, low produce volume, and a focus on short-term business activities like input supply. Inadequate support in navigating government schemes like AIF or MIDH further contributes to this gap.

In summary, while FPOs are doing commendable work in market intelligence and transport support, significant efforts are still needed to bolster infrastructure-based services such as storage, cold chain, and value enhancement facilities. A more holistic non-farm service approach is essential for enhancing the resilience, profitability, and competitiveness of smallholder farmers in the agricultural value chain. Public-private partnerships, targeted government schemes, and capacity-building programs can play a pivotal role in bridging these service gaps.

### **3.3.6. Technology support from the FPOs**

The technology support from the FPOs (Fig 8) presents an insightful overview of the various forms of technological interventions and services provided by Farmer

Producer Organizations (FPOs) to their member farmers. The data highlights both the strengths and gaps in the technology support landscape facilitated by FPOs.

Nutrient management emerges as the most widely extended technological support, provided by 86.71% of FPOs. This is a significant finding, indicating that FPOs are highly proactive in promoting balanced nutrient use among farmers, which is critical for enhancing soil health, increasing productivity, and ensuring sustainable farming practices. This high adoption rate suggests successful awareness and outreach programs and may also reflect government schemes or training programs focused on integrated nutrient management.

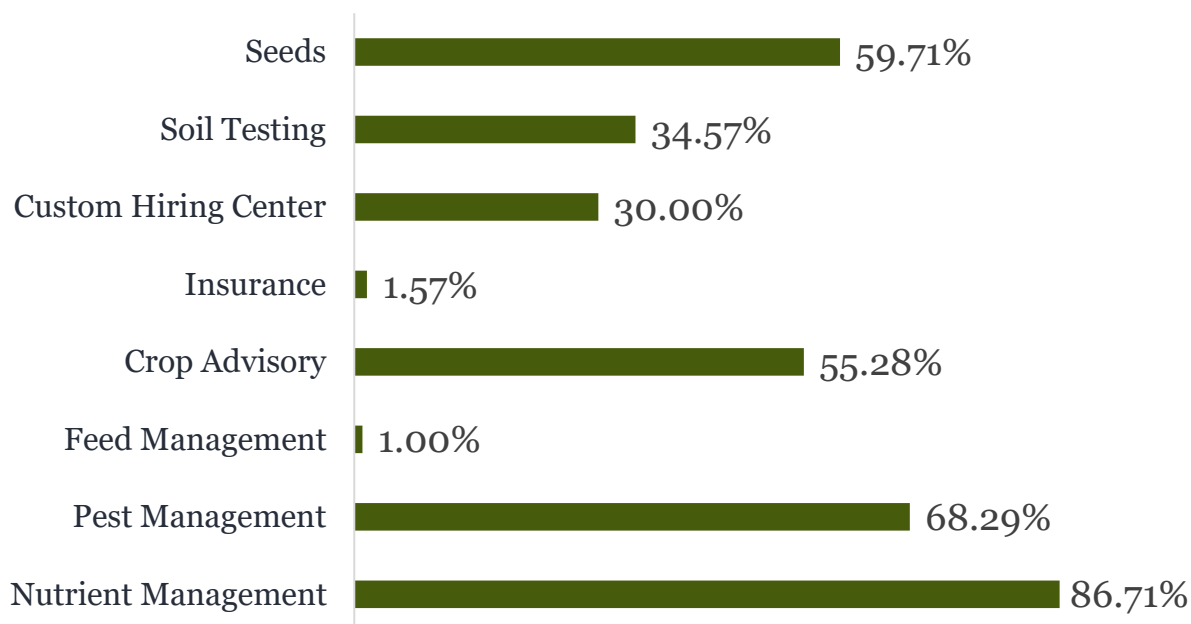
Closely following this is pest management, supported by 68.29% of FPOs, indicating strong efforts to reduce crop losses and pesticide misuse. Such services likely involve educating farmers about integrated pest management (IPM), proper pesticide use, and alternative eco-friendly practices. These services are crucial, especially in the context of climate change and rising pest incidents, and they show that FPOs are aligning with environmentally sound agricultural practices.

Seed support is offered by 59.71% of FPOs, reflecting an encouraging trend in promoting access to quality and timely seeds, which is foundational for achieving better crop yields. Similarly, crop advisory services, available from 55.28% of the FPOs, play a vital role in equipping farmers with updated agronomic knowledge and timely technical guidance, contributing to improved decision-making on the farm.

However, some areas show considerable room for improvement. Soil testing services are available through only 34.57% of FPOs, which is relatively low considering the importance of soil health in guiding proper fertilization and crop planning. Expanding soil testing facilities would not only enhance productivity but also support environmentally sustainable farming.

Custom hiring centers, facilitating the rental of agricultural machinery, are offered by 30% of FPOs, indicating a moderate uptake. Such services are especially beneficial for small and marginal farmers who cannot afford to own machinery. Therefore, scaling up custom hiring services can directly impact the efficiency and cost-effectiveness of farm operations.

**Fig 8. Technology support from the FPOs**



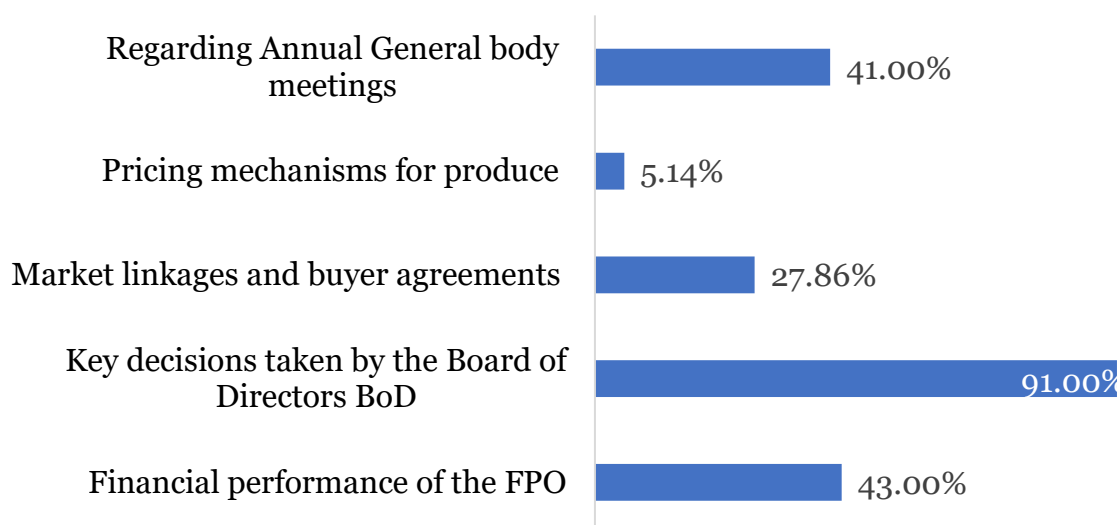
Alarming, insurance (1.57%) and feed management (1.00%) are the most neglected services among the technological offerings. The extremely low coverage of insurance support is a critical concern, as crop and livestock insurance are vital for safeguarding farmers against unpredictable losses due to natural calamities, pests, and market fluctuations. Likewise, the minimal focus on feed management suggests a gap in support for livestock-based livelihoods, which are integral to many farming households, particularly in tribal and rainfed regions.

The FPOs are actively supporting farmers in critical crop production domains such as nutrient, pest, and seed management, while moderately engaging in soil testing, crop advisory, and equipment rental services. However, there exists a clear need to strengthen insurance facilitation and livestock-related services like feed management. For holistic agricultural development, FPOs must adopt a more integrated technology support model—such as those promoted by SFAC, eNAM, and Digital Green’s Farm Stack—that provide end-to-end services across production, risk mitigation, financial inclusion, and market access. Enhanced convergence with government schemes, capacity-building initiatives, and digital platforms can aid in bridging these service delivery gaps.

### 3.3.7. Information about the following aspects of FPO operations

The information about the following aspects of FPO operations (as expressed by member farmers) (Fig 9) provides valuable insights into the extent of awareness and communication among farmers regarding the internal operations of Farmer Producer Organizations (FPOs). The data reflects the inclusiveness and transparency of FPO governance from the perspective of member farmers.

**Fig 9. Information about the following aspects of FPO operations**



A striking observation is that 91% of farmers reported being informed about key decisions taken by the Board of Directors (BoD), including matters related to input supply, marketing arrangements, and training activities—indicating a commendable level of transparency and member engagement within the FPOs. This high level of awareness is encouraging and signifies that the FPOs are practicing participatory governance by keeping their members updated on crucial strategic choices. Effective communication from the BoD helps in building trust, ensuring member alignment, and improving the functioning and accountability of the organization.

Similarly, only 43% of the members indicated that they are aware of the financial performance of their FPO. This low level of awareness highlights a significant gap in financial transparency and communication, suggesting that a majority of members remain uninformed about how their organization is performing economically. Such limited financial disclosure can undermine member trust, hinder informed

participation in decision-making, and affect long-term sustainability of the FPO. Therefore, there is a clear need to strengthen financial reporting practices and ensure regular, accessible communication of financial information to all members. Greater financial disclosure and regular reporting through member meetings or newsletters can foster confidence among shareholders, many of whom are small and marginal farmers depending on the FPO for their livelihoods.

Only around 41% of farmers reported being informed about Annual General Body Meetings (AGMs), which is a matter of concern and indicates unsatisfactory communication and member engagement. Given the importance of AGMs in ensuring transparency, accountability, and participatory governance, this low level of awareness suggests that many FPOs are not effectively involving their members in key organizational processes. Strengthening outreach and ensuring timely communication about AGMs is essential to promote democratic functioning and trust within the FPOs. However, AGMs are a statutory requirement and a primary platform for members to engage in collective decision-making, express concerns, and receive updates. Increasing member awareness and participation in AGMs can enhance democratic functioning and empower members to take active roles in shaping the FPO's direction.

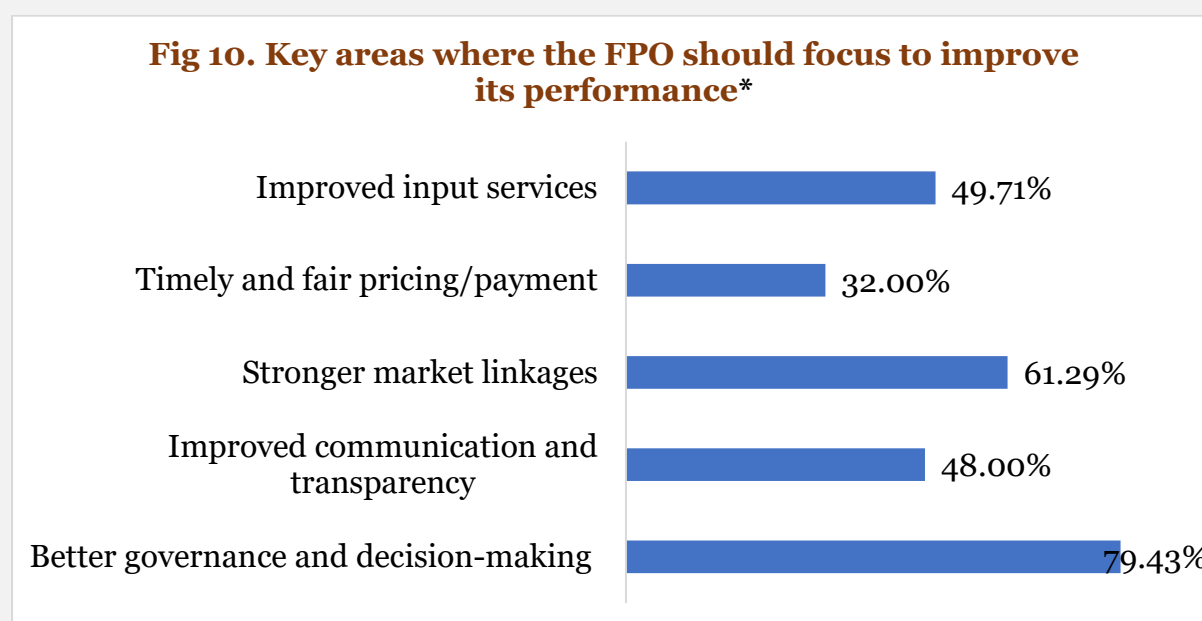
On the other hand, only 27.86% of farmers are aware of market linkages and buyer agreements established by the FPOs. This is a concerning gap, as market access is one of the primary motivations for farmers to join FPOs. If a large section of the membership is unaware of market arrangements, it may indicate poor communication channels or centralized negotiations lacking broader member involvement. Ensuring transparency in market operations, sharing buyer details, price agreements, and feedback mechanisms can substantially benefit all members and enhance trust in the FPO's marketing operations.

Most notably, a mere 5.14% of farmers are informed about the pricing mechanisms for produce. This is the weakest area of communication and reflects a serious deficiency in the transparency of price-setting processes. Farmers must be made aware of how their produce is valued, the basis of price determination, and their options to negotiate or understand market trends. Without such clarity, farmers may feel exploited or alienated, which can diminish their trust in the FPO structure.

In conclusion, while FPOs seem to be performing well in disseminating information related to decision-making by the Board and, to some extent, on financial and general operations, there is a notable deficiency in communication around pricing and market linkages. Strengthening member awareness through regular training, transparent documentation, member outreach programs, and use of digital platforms or community radio could bridge these gaps. A more informed membership not only enhances trust and accountability but also boosts the overall effectiveness and sustainability of FPO operations.

### 3.3.8. Key areas where the FPO should focus to improve its performance

The "Key areas where the FPO should focus to improve its performance" (Fig 10) outlines the major domains that member farmers believe require greater attention and strategic strengthening to enhance the functionality and impact of Farmer Producer Organizations (FPOs). The data, expressed by member farmers, highlights their priorities and expectations from FPOs for better service delivery and economic outcomes.



\*Multiple response

A dominant 82.14% of farmers emphasized the need for improved marketing of produce. This is a clear signal that most FPOs are yet to establish robust market linkages, ensure fair price realization, or provide access to high-value markets. Effective marketing is the cornerstone of FPO success, enabling better bargaining power, reduced exploitation by intermediaries, and higher income for farmers. This



finding aligns with previous data that showed poor farmer awareness regarding pricing and market agreements. As strategic leaders, BoDs are responsible for formulating and overseeing the FPO's marketing strategy, initiating partnerships with institutional buyers, and approving investments in branding, packaging, and post-harvest infrastructure. They should also facilitate the adoption of market intelligence systems to monitor price trends and demand, enabling better planning and negotiation. Equally important is their role in ensuring transparent communication with members about pricing and market agreements, thereby building trust and participation. By actively guiding capacity-building efforts and evaluating marketing performance, BoDs can transform the FPO's market operations into a more profitable, equitable, and sustainable model for all members.

Following this, 67.86% of the respondents suggested that the FPO should focus on increasing profit margins. Low profitability could stem from multiple factors such as inefficient input supply chains, high operational costs, or poor post-harvest management. Enhancing profitability would require the FPO to adopt cost-effective practices, invest in value addition infrastructure (like grading, processing, and packaging), and expand access to better financing models and government schemes.

The next significant area is "Pricing of produce," identified by 62.50% of farmers as needing improvement, highlighting ongoing challenges in ensuring fair and transparent price realization. This gap is often due to limited access to real-time market information, weak bargaining power, and reliance on local traders. To address this, FPOs must adopt structured pricing mechanisms such as Market Intelligence Systems (MIS) recommended in the Doubling Farmers' Income Committee Report (2018), using platforms like Agmarknet, eNAM, or Agriwatch for real-time price data. Collaborations with agricultural universities or KVKs for crop-specific price forecasting models can further aid decision-making. Additionally, collective marketing strategies, forward contracts, and tie-ups with institutional buyers—as promoted by NABARD and SFAC—can improve negotiation power. Implementing grading and standardization practices also enables access to premium markets. These interventions can help FPOs set competitive, transparent prices and ensure better income for their members.

Additionally, 46.43% of farmers pointed out the need for improved financial performance of the FPO. This includes not just profitability but also financial transparency, accountability, and resource mobilization. Regular audits, simplified financial statements in local languages, and member-friendly dividend distribution policies can enhance trust and participation.

Further, 35.71% of respondents suggested increasing the membership base. A larger membership brings scale, bargaining power, and diversity of operations. However, mere expansion should be backed by capacity-building, member engagement, and equitable benefit-sharing to retain trust.

Lastly, only 25% felt the need to improve board decision-making, which, while relatively lower, should not be overlooked. Democratic and informed decision-making is essential for inclusive governance. Training programs for Board of Directors (BoD), transparent communication, and regular interaction with members can further strengthen this area.

In conclusion, the data underscores the urgent need for FPOs to reorient their strategies towards market-driven approaches, financial efficiency, pricing transparency, and inclusive growth. Addressing these farmer-identified gaps will not only boost the performance of FPOs but also lead to enhanced member satisfaction, sustainability, and rural economic empowerment.

### **3.3.9. Members Satisfaction on FPOs operations**

The members satisfaction on FPOs operations (Fig 11) presents the levels of satisfaction expressed by member farmers regarding the overall functioning and performance of Farmer Producer Organizations (FPOs). This data provides crucial insights into the perceptions of stakeholders and helps identify the operational strengths and gaps in service delivery by FPOs.

According to the chart, a little more than half of the respondents (54.43%) expressed satisfaction with the FPO's operations, indicating that a majority of members recognize and appreciate the organization's efforts in service delivery. This suggests a baseline level of trust and acceptance, likely stemming from tangible benefits such as better access to inputs, services, or market linkages. However, the data also points to significant room for improvement in reaching the remaining members. To increase

overall involvement and ensure wider benefit-sharing, FPOs need to adopt targeted strategies such as awareness campaigns, member engagement drives, and tailored communication efforts that highlight available services and how to access them.

In contrast, only 7.00% of the respondents stated they were 'very satisfied', reflecting a small but significant portion of members who are highly appreciative of the FPO's role. This segment likely consists of those who are actively involved in the FPO's activities or have seen tangible benefits such as better price realization, input cost savings, or capacity-building initiatives.

A notable 23.57% of the members remained neutral, suggesting ambivalence or limited engagement with the FPO's services. This neutrality may stem from irregular participation, lack of awareness about FPO benefits, or the perception that the organization's impact is neither significantly positive nor negative. Such members represent a crucial group that can be brought into more active participation through improved outreach, training, and communication efforts.

On the other hand, 10.71% of the members expressed dissatisfaction, and 4.29% reported being very dissatisfied with FPO operations. Together, these 15% of dissatisfied members represent a concern that must be addressed urgently. Their dissatisfaction could be attributed to factors such as lack of transparency, poor governance, unfulfilled promises, delays in service delivery, or unmet expectations regarding profitability and market linkages. This highlights the need for FPOs to adopt a more member-centric approach, enhance accountability, and ensure inclusive decision-making processes.

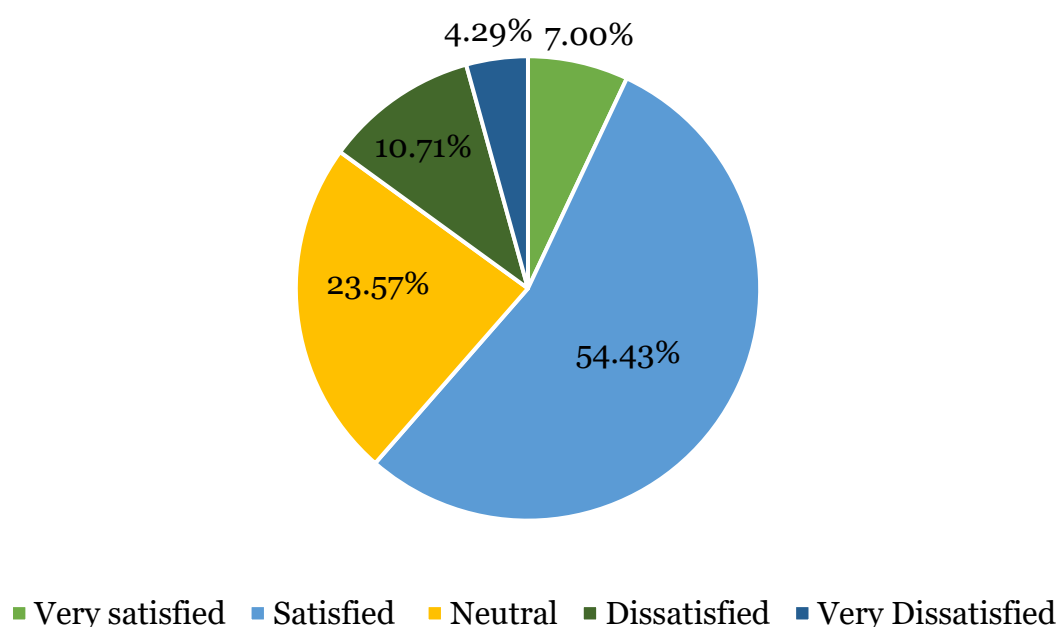
In conclusion, while it is encouraging that over 60% of members are satisfied or very satisfied, the presence of nearly one-fourth neutral and 15% dissatisfied members calls for introspection and targeted interventions. FPOs must build on their current strengths while actively working to convert neutral and dissatisfied members into satisfied stakeholders through improved service delivery, enhanced communication, and inclusive governance. This will not only improve the operational performance of FPOs but also ensure their long-term sustainability and credibility among farmers.

### **3.4. Current business model and credit linkages of the FPOs**

#### **3.4.1. Existing Marketing Linkages of Farmers**

The existing marketing linkages of individual farmers (Fig 12A) and Farmer Producer Organizations (FPOs) (Fig 12B), presenting valuable insights into the prevalent market mechanisms and the degree of institutional engagement in agricultural marketing. The data reveals a significant reliance of individual farmers on regulated markets, which account for 68.14% of their marketing linkages. This overwhelming dependence indicates the strong institutional setup of APMC (Agricultural Produce Market Committee) markets, which continue to be the dominant channel for farmers to sell their produce. However, such a dependency also reflects limited diversification in marketing strategies, potentially reducing the bargaining power of farmers and exposing them to market inefficiencies and price volatility.

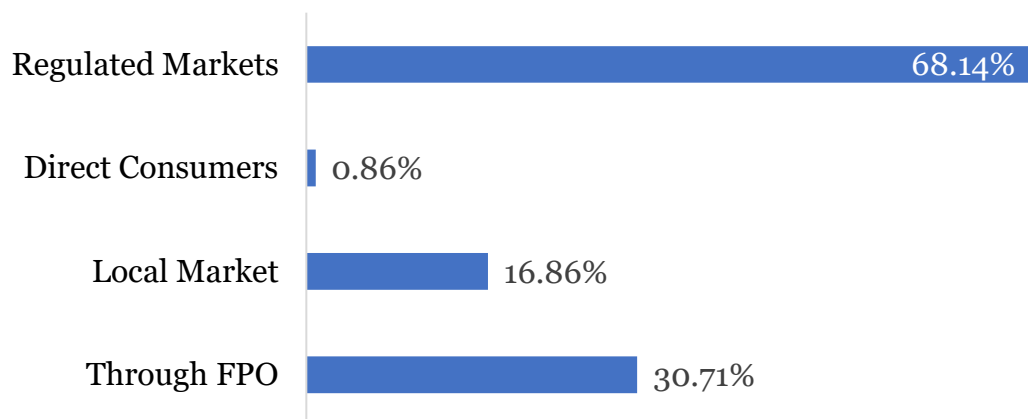
**Fig 11. Members Satisfaction on FPOs operations**



In contrast, only 0.86% of farmers sell directly to consumers, indicating a minimal penetration of direct marketing approaches such as farmers' markets or farm-to-fork models. This could be attributed to constraints such as lack of infrastructure, logistical challenges, or limited awareness among farmers about alternate marketing avenues. The local market accounts for 16.86%, suggesting that some farmers do engage in nearby trade, but it still remains secondary to regulated markets. Notably, 30.71% of farmers market their produce through FPOs, highlighting the emerging role of collective institutions in bridging smallholders to better markets. Although not yet dominant, this figure is promising and underlines the potential of FPOs in providing

enhanced access to markets, reducing transaction costs, and improving price realization.

**Fig 12 (A). Existing Marketing Linkages of Farmers**



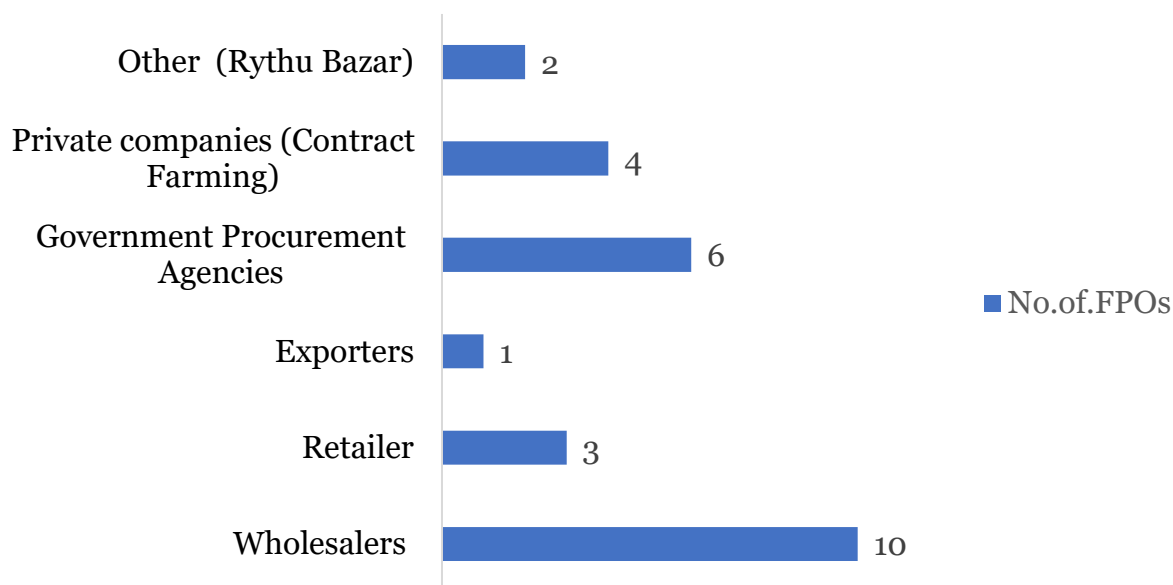
On the other hand, the analysis of existing market linkages of FPOs shows a more diversified engagement. Wholesalers represent the most common market linkage for FPOs, with 10 FPOs connected to them, indicating a preference for bulk selling and easier logistics. Government procurement emerges as another significant channel, with 6 FPOs involved, which is a positive development in terms of stability and assured returns. This linkage may be facilitated through schemes like MSP procurement or institutional buyers under the Public Distribution System (PDS).

Contract farming with private companies is another noteworthy channel, with 4 FPOs linked, reflecting a moderate engagement with corporate buyers. This linkage, while providing potential benefits such as technical support and input services, may also necessitate regulatory oversight to ensure fair contract terms. Retailers and Rythu Bazaars serve as buyers for 3 and 2 FPOs, respectively, representing shorter value chains and potentially higher margins. However, their low uptake suggests the need for improved logistics, branding, and consumer engagement. Surprisingly, only 1 FPO is linked with exporters, indicating a major gap in tapping international markets, likely due to quality standards, certifications, and aggregation challenges.

In summary, while farmers predominantly rely on traditional regulated markets, FPOs exhibit a broader spectrum of market linkages with a visible shift toward more structured and potentially remunerative channels. There is an evident need to strengthen direct marketing initiatives, scale up FPO-based marketing, and facilitate

FPOs' access to high-value markets including exports and retail chains. This transition can be supported through targeted policy interventions, infrastructure development, capacity building, and digital integration in agri-marketing.

**Fig 12 (B). Existing Market linkages of FPOs**

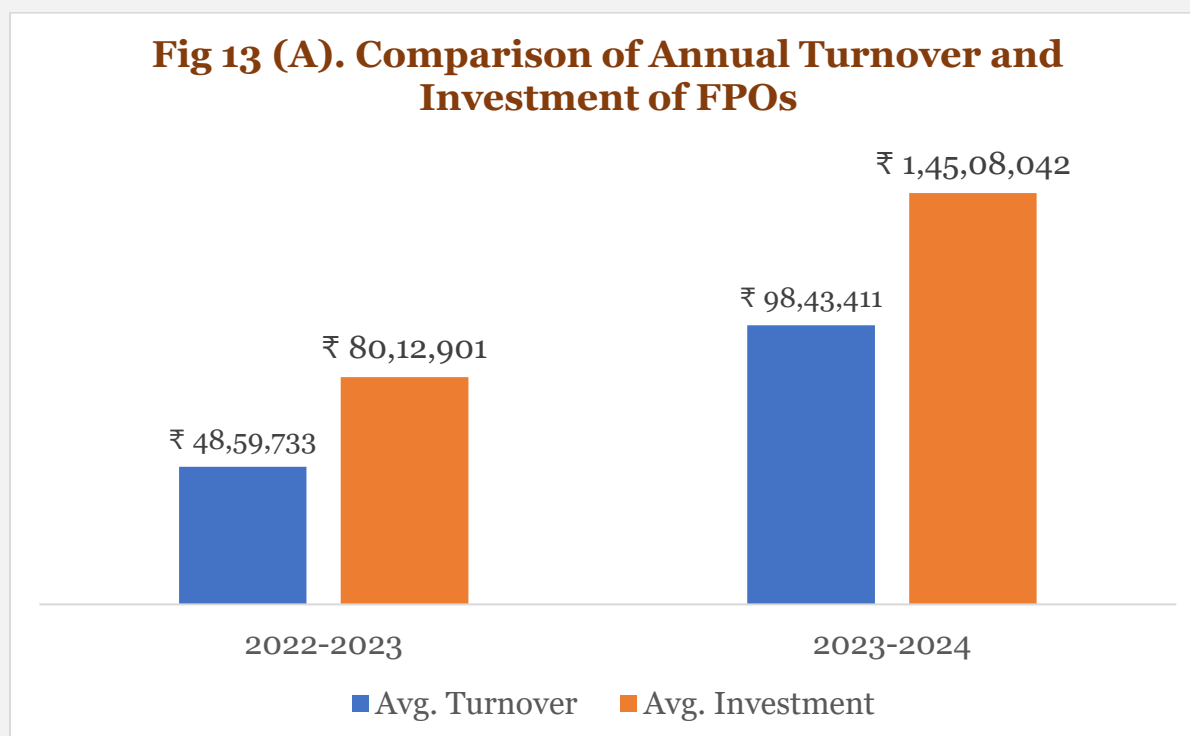


### 3.4.2. Comparison of Annual Turnover and Investment of FPOs

The visual representation compares the annual turnover, investment (Fig 13A), and profit (Fig 13B) of Farmer Producer Organizations (FPOs) across two financial years: 2022–2023 and 2023–2024. It offers valuable insights into the financial performance and growth trajectory of FPOs during this period and indicates a substantial improvement in the financial health and business operations of FPOs in the year 2023–2024 as compared to 2022–2023. The average turnover of FPOs increased from ₹48,59,733 in 2022–2023 to ₹98,43,411 in 2023–2024—representing a remarkable growth of over 100%. This sharp increase in turnover suggests enhanced business activity, possibly due to better market linkages, diversification in commodities traded, improved aggregation capacity, or increased membership and participation by farmers.

In tandem with this rise in turnover, the average investment made by FPOs also saw a significant jump—from ₹80,12,901 in 2022–2023 to ₹1,45,08,042 in 2023–2024. This increase reflects stronger capital inflows either through government grants, equity infusion, member contributions, or institutional credit. The scale of investment

surpasses the growth in turnover, indicating that FPOs are expanding infrastructure, upgrading technology, or investing in value chain interventions such as storage, processing, branding, or logistics. While this is a positive development, it also underlines the need for careful financial planning to ensure that investments translate effectively into sustainable revenue.

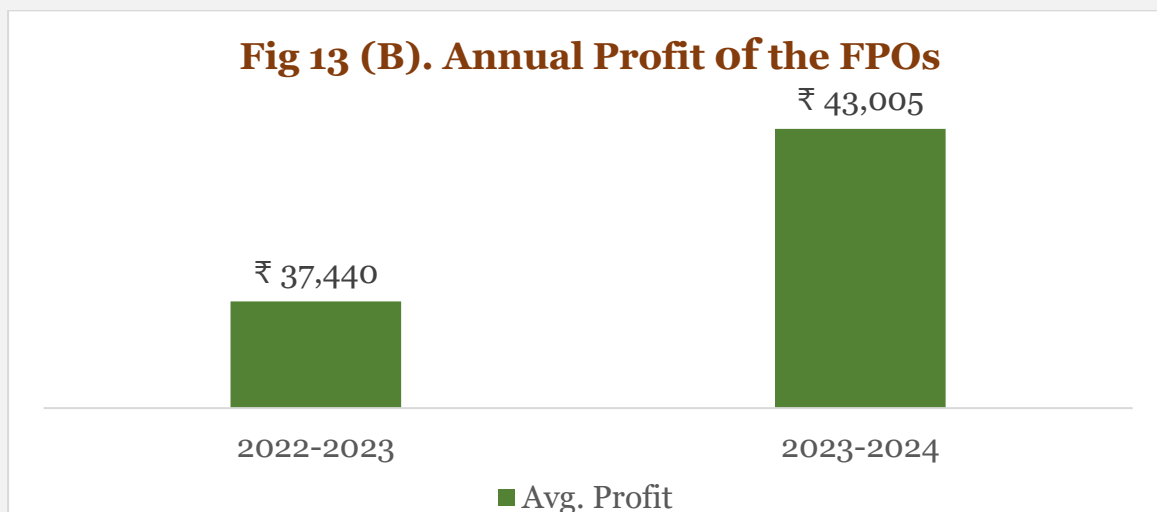


On the profit front, the data shows a marginal increase in the average annual profit, from ₹37,440 in 2022–2023 to ₹43,005 in 2023–2024. Despite the impressive rise in both turnover and investment, the relatively modest growth in profit margins raises critical concerns about operational efficiency, cost management, and pricing power. This could imply that while the scale of operations has grown, profitability has not kept pace—possibly due to high input and transaction costs, under-utilization of capacity, or suboptimal market realization.

Another interpretation could be that many FPOs are still in their formative years, focusing more on scaling operations and building infrastructure rather than immediate profitability. It also underscores the importance of capacity building, governance training, financial literacy, and market intelligence to help FPOs transition from survival to sustainable profitability.



The financial trend from 2022–2023 to 2023–2024 reflects encouraging signs of growth and increasing financial activity among FPOs. However, the marginal increase in profit relative to the surge in turnover and investment emphasizes the need for improved managerial capabilities, strategic planning, and supportive policy frameworks to ensure that FPOs not only grow in volume but also in value.



The given pie charts provide a comprehensive breakdown of the revenue streams (Fig 14A) and cost components (Fig 14B) of Farmer Producer Organizations (FPOs), offering a clear picture of how income is generated and where expenditures are incurred in their operations. This analysis is essential for evaluating the economic efficiency and sustainability of FPO business models.

### 3.4.3. Revenue Analysis:

From the first pie chart, it is evident that the dominant source of revenue for FPOs is input supply, which contributes 62.57% of the total revenue. This indicates that FPOs are heavily engaged in the procurement and distribution of agricultural inputs such as seeds, fertilizers, and pesticides to their member farmers. The large share suggests strong demand and dependence on FPOs for input services, possibly due to better pricing, availability, or trust in quality.

The second highest contributor to revenue is the sale of produce, accounting for 16.92%. This shows that FPOs are also aggregating and selling members' produce, albeit at a much smaller scale than input supply. This gap may reflect challenges in market access, price realization, or post-harvest infrastructure.

Marketing services contribute 12.24%, showing that some FPOs are generating revenue by facilitating market linkages or providing platforms for sales. However, processing/value addition (8.27%) and processing/marketing services remain minor contributors, signaling underutilization of value-added activities that could significantly enhance margins. The low share of processing revenues points to limited investment in infrastructure like milling, packaging, or branding, which are critical for enhancing value realization.

#### **3.4.4. Expense Analysis:**

The second chart displays how expenses are distributed across different components. A large portion, 45.45%, is spent on input procurement, aligning with the high revenue from input supply. While this reflects a key area of operation, it also implies that input trading has thin profit margins, as a major chunk of revenue is used to cover procurement costs.

The procurement of produce (16.85%) and processing/storage costs (8.59%) also constitute significant costs, underlining the operational expenses associated with aggregating and handling farmers' produce. Staff salaries (11.50%) and administrative expenses (10.40%) are notable fixed costs that impact profitability, especially if the scale of operation is not large enough to absorb them efficiently.

Logistics (7.21%) emerges as another critical expense, which includes transport of inputs and produce. In rural contexts, logistics can be a major bottleneck due to poor infrastructure, which affects timely delivery and quality maintenance, potentially increasing the cost burden.

The analysis reveals that while FPOs are generating considerable revenue from input supply, the high proportional expenses on input procurement and operational overheads are limiting their profit margins. Furthermore, the relatively low revenue from sale of produce and processing activities indicates that FPOs are not fully leveraging post-harvest value chains, which hold immense potential for improving both income and profitability.

It remains unclear whether the Board of Directors (BoDs) are fully aware of the profit margins associated with various business opportunities or the cost-effectiveness of current manpower deployment. This may be attributed to the fact that BoDs are often

not fully engaged in day-to-day operations or oriented to treat the FPO as a business entity rather than a welfare group. This gap in business understanding raises concerns about the effectiveness of strategic decision-making and financial planning within the organization. Without a clear grasp of operational margins—both in service delivery and human resource deployment—FPOs are at risk of inefficient resource utilization and missed opportunities for profitability and growth. However, the presence of a full-time CEO in most FPOs is a positive factor, as it provides an opportunity to bridge this knowledge gap by facilitating better understanding and communication between management and the Board.

To build a more sustainable financial model, FPOs must diversify their revenue streams beyond input supply, focusing on enhancing income through produce aggregation, direct marketing, and value-added services like processing, grading, and packaging. At the same time, they must optimize procurement systems, improve logistics, and control administrative costs to protect and improve net margins. Strengthening the capacities of both BoDs and CEOs in enterprise management, financial literacy, market intelligence, and cost-benefit analysis is crucial. Additionally, improved access to institutional credit, infrastructure development schemes, and digital platforms will help FPOs transition from basic service-oriented organizations to commercially viable agribusiness enterprises that can deliver sustained value to their member farmers.

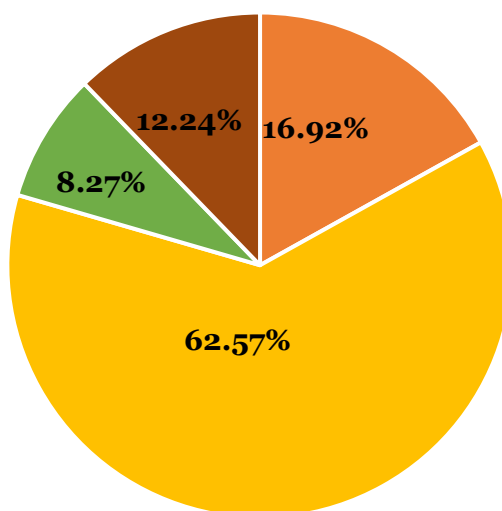
### **3.5. The social, financial and economic impact of individual members**

#### **3.5.1. FPO impact on overall quality of life**

The perceived impact of joining a Farmer Producer Organization (FPO) (Fig 14) on various aspects of members' overall quality of life, based on mean scores reported by respondents. The parameters range from financial benefits to improvements in health, education, nutrition, and general well-being.

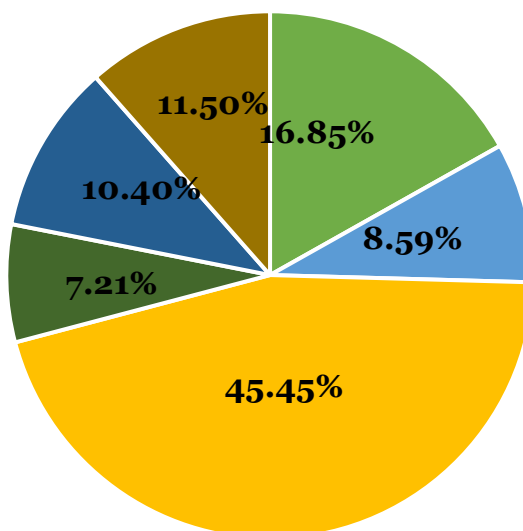
Among all indicators, the highest mean score of 3.81 is attributed to "Improved household income", clearly suggesting that members perceive FPO membership as significantly enhancing their financial stability. This aligns with the fundamental objectives of FPOs—to increase farmer incomes through collective bargaining, better market access, and reduced input costs. An increase in household income also acts as an enabler for improvements in other domains of life.

**Fig 14 (A). Total Revenue is contributed by each stream**



■ Sale of produce      ■ Input supply  
■ Processing/ value addition      ■ Marketing services

**Fig 14 (B). Total Expenses is contributed by each cost component**



■ Procurement of produce      ■ Processing/storage  
■ Input procurement      ■ Logistics  
■ Administrative expenses      ■ Staff salaries

Closely following income are the indicators of "Better nutrition for family" and "Better education for children", both scoring 3.66. These results suggest that increased earnings from FPO participation are being channeled into essential quality-of-life improvements, particularly in areas that directly affect the long-term welfare and human capital development of rural families. Access to better food and educational opportunities reflects an upward shift in rural household priorities and well-being, thanks to improved financial capacity and awareness.

The dimension "More spending on health" has a moderately high mean score of 3.56, indicating a growing recognition among FPO members of the importance of healthcare. This could also be interpreted as a positive spillover effect of rising incomes, where households feel more confident in seeking medical treatment and investing in preventive healthcare.

The score for "Improved happiness and well-being" stands at 3.50, showing that the overall life satisfaction and emotional state of FPO members have also improved. This subjective indicator complements the more tangible aspects such as income, nutrition, and education, and speaks to the broader socio-psychological benefits of collective organization, empowerment, and financial inclusion.

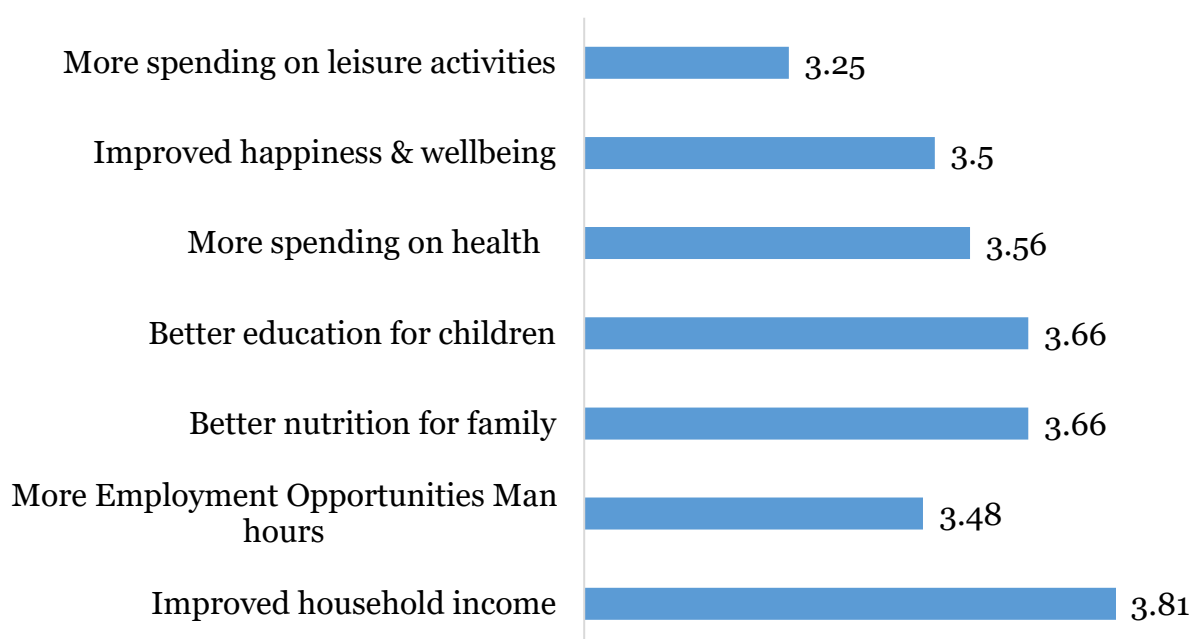
Meanwhile, "More employment opportunities/man-hours" is rated at 3.48, reflecting moderate success of FPOs in generating new livelihoods or increasing labor utilization within the community. This could involve additional roles such as aggregation, processing, logistics, or administrative tasks within the FPO framework. However, the lower score compared to other parameters suggests there may be scope for creating more structured employment models within FPOs, especially for youth and women.

Finally, the lowest score of 3.25 is noted for "More spending on leisure activities". While still a positive indicator, this suggests that discretionary spending on leisure remains limited, possibly due to persistent economic uncertainties or prioritization of basic needs over non-essential consumption. It could also reflect cultural norms or lack of access to leisure infrastructure in rural areas.

In conclusion, the data compellingly supports the view that FPO membership has a substantial and multi-dimensional impact on rural livelihoods. While income generation remains the most tangible and immediate benefit, the associated improvements in health, nutrition, education, and well-being point to a holistic

enhancement in quality of life. To further amplify these impacts, there is a need for continued support in capacity building, access to finance, infrastructure development, and value chain integration. Encouraging FPOs to diversify their services and integrate social development goals will also help deepen their positive influence on rural communities.

**Fig 15. Joining the FPO impacted your overall quality of life\***



\*Mean Scores

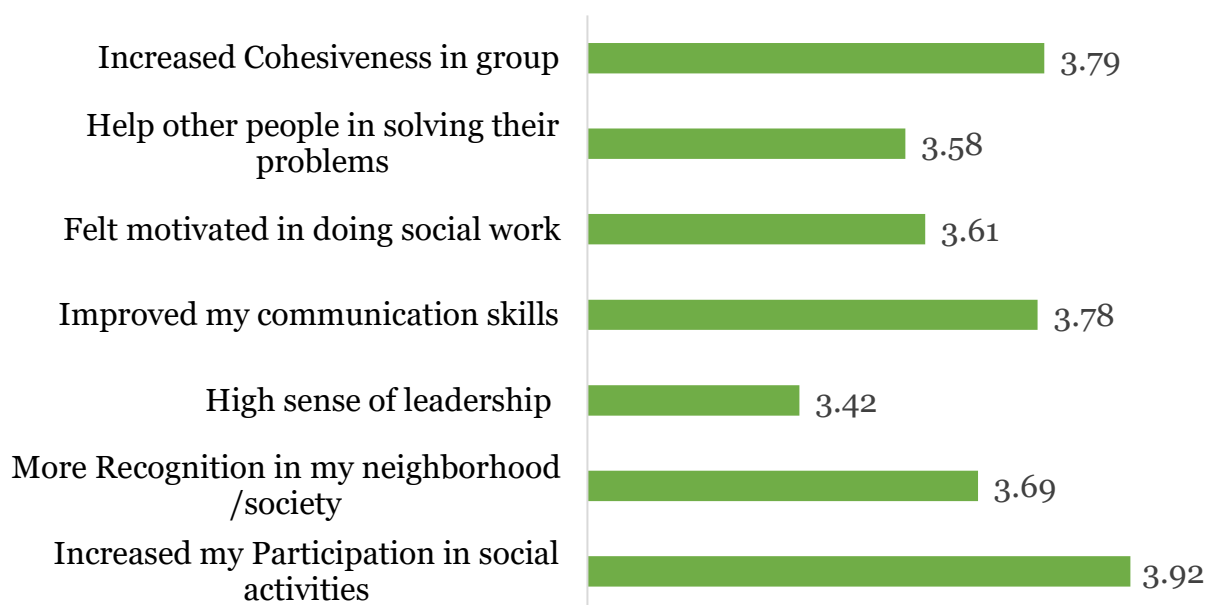
### 3.5.2. Improvement of social life after joining the FPO

The improvement of social life after joining the FPO (Fig 16) presents a detailed account of how membership in a Farmer Producer Organization (FPO) has positively influenced various aspects of members' social well-being. The data, based on mean scores, reveals notable improvements in community participation, interpersonal skills, recognition, and leadership, which collectively demonstrate the role of FPOs in fostering not only economic benefits but also social empowerment.

The most significant improvement is observed in "Increased participation in social activities", which received the highest mean score of 3.92. This indicates that FPOs are not merely economic institutions but also act as platforms for social engagement, encouraging members to take active roles in community events, local governance, and

cooperative initiatives. Increased participation reflects a heightened sense of belonging and agency, which is crucial for rural development.

**Fig 16. Improvement of social life after joining the FPO.**



**\*Mean Scores**

Closely following this, "Increased cohesiveness in group" (3.79) and "Improved communication skills" (3.78) underscore the enhanced group dynamics and interpersonal capabilities developed through collective functioning. Cohesiveness is a direct result of shared goals, frequent interaction, and mutual dependence that characterize FPO operations. Improved communication skills are likely outcomes of regular meetings, training sessions, negotiations, and peer discussions—core components of FPO activities. These outcomes suggest that FPOs contribute to building social capital, which is essential for collective bargaining and sustainable rural transformation.

The mean score of 3.69 for "More recognition in my neighborhood/society" implies that FPO members enjoy greater social status and visibility. This may be attributed to their active involvement in income-generating activities, leadership roles in the FPO, and the associated prestige of being part of a structured organization. Recognition in society is a motivating factor that further fuels engagement and a sense of pride in one's work.



Similarly, "Felt motivated in doing social work" (3.61) and "Helped other people in solving their problems" (3.58) reflect the increased civic sense and altruism among FPO members. These scores indicate that the FPO environment encourages members to extend support beyond economic collaboration, creating a ripple effect of social responsibility within the community. Such a trend contributes to strengthening social cohesion and collective problem-solving capacity in rural areas.

Interestingly, the dimension "High sense of leadership" received a comparatively lower score of 3.42, though still a positive indicator. This suggests that while FPO participation fosters group collaboration and communication, leadership development might require more structured capacity-building interventions. FPOs could enhance this further by identifying potential leaders, offering leadership training programs, and encouraging democratic governance practices within the organization.

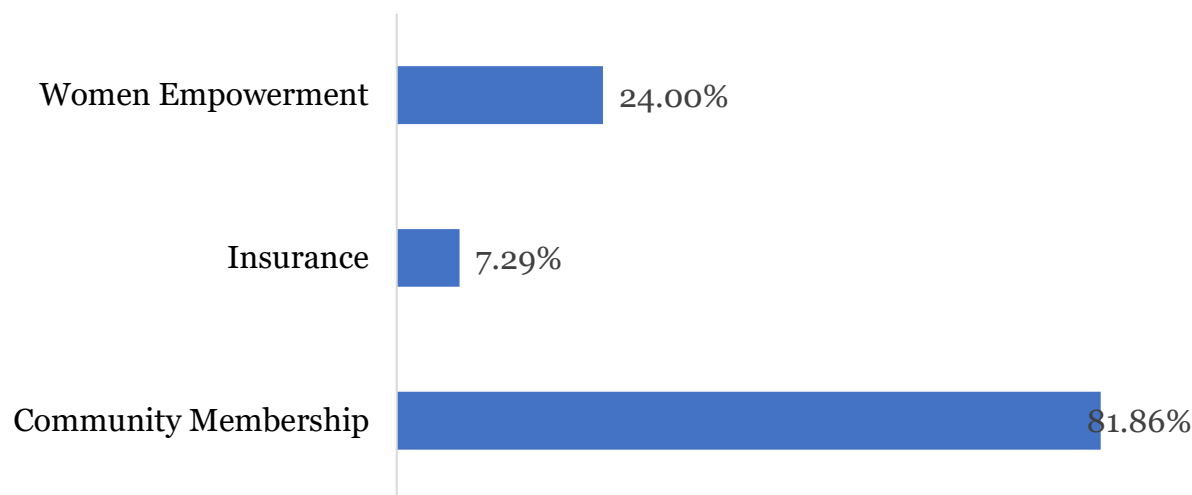
In summary, the data presents compelling evidence that joining an FPO significantly enhances social life in rural settings. From increased participation and group cohesion to improved communication and recognition, FPOs foster a sense of identity, empowerment, and community engagement among their members. To maximize these benefits, stakeholders—including government bodies, NGOs, and promoting institutions—should invest in continuous capacity building, social mobilization, and leadership development, ensuring that FPOs function as both economic and social institutions at the grassroots level.

### **3.5.3. Impact on Social status in the community**

The social status in the community changed after becoming an FPO member (Fig 17) illustrates the perceived transformation in the social standing of individuals post their association with Farmer Producer Organizations (FPOs). The data highlights three major areas of social status change: Community Membership (81.86%), Women Empowerment (24.00%), and Insurance (7.29%). Although women play a vital role in agriculture, their participation in FPO leadership, training programs, and decision-making remains minimal due to social norms, lack of targeted outreach, and absence of gender-inclusive strategies such as flexible meeting times or women-focused services. Similarly, the very low adoption of insurance suggests limited awareness about schemes like PMFBY or livestock insurance, as well as trust deficits, procedural complexities, and the lack of active facilitation by FPOs. Most FPOs still prioritize basic

services like input supply and aggregation, with little focus on integrating financial risk mitigation tools.

**Fig 17. Social status in the community changed after becoming an FPO member**



The most remarkable shift is observed in the area of community membership, where 81.86% of the respondents acknowledged a significant improvement. This overwhelming percentage indicates that FPOs have become critical conduits for social inclusion, allowing marginalized farmers—especially smallholders and landless laborers—to become part of formalized, recognized community groups. The increase in community membership suggests that FPOs function not just as economic collectives but as socially legitimizing bodies, providing members with a sense of identity, belonging, and influence within their locality. Through regular meetings, collective decision-making, and public visibility, FPO members gain social validation, which enhances their respect and credibility in the village society.

Women empowerment, acknowledged by 24.00% of respondents, represents a promising yet evolving dimension of social change. While not as predominant as community membership, this still reflects a positive trend toward gender inclusion and empowerment. FPO participation has provided women with more opportunities to participate in economic decision-making, gain access to financial services, attend capacity-building programs, and voice their opinions in group settings. This figure suggests that FPOs have started to challenge traditional gender roles, but also

indicates the need for targeted interventions and gender-sensitive policies to fully harness the potential of women's leadership in agriculture and rural enterprise.

In contrast, insurance as an indicator of improved social status was reported by only 7.29% of respondents. This relatively low figure indicates that while FPOs may offer financial services, awareness and access to risk mitigation tools like insurance remain limited. It also reflects the need for greater integration of social security mechanisms within FPO structures. Ensuring access to crop insurance, health schemes, and life coverage would not only protect members from uncertainties but also enhance their economic security and social standing over time. The low uptake here highlights a gap that must be addressed through better policy convergence, partnerships with financial institutions, and targeted awareness campaigns.

Overall, the data underscores that becoming a member of an FPO significantly enhances one's social visibility, community participation, and collective identity, thereby reshaping the social fabric of rural areas. However, for holistic social upliftment, there is a critical need to deepen gender equity measures and expand financial inclusion services like insurance. Strengthening these dimensions would make FPOs not only engines of economic growth but also instruments of transformative social change.

### **3.6. The level of convergence with other stakeholders and their schemes**

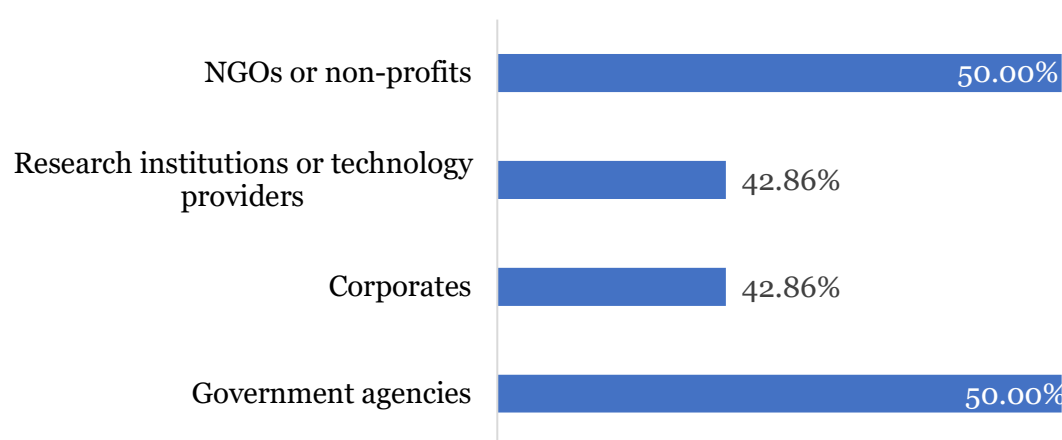
#### **3.6.1. Networking & Collaborations Efforts of FPO**

The chart titled "FPOs formal partnerships or MoUs, Networking & Collaborations" provides a comprehensive view of how Farmer Producer Organizations (FPOs) are engaging with various stakeholders through formal agreements and the nature of such collaborations. The chart is divided into two sections: (1) types of organizations FPOs have partnered with (Fig 18A), and (2) the primary purposes or focus areas of these partnerships (Fig 18B).

In terms of institutional engagement, NGOs or non-profits and government agencies top the list, with 50.00% of FPOs having established formal partnerships with each. This indicates a strong public and development sector presence in the FPO ecosystem. NGOs typically contribute to capacity-building, grassroots mobilization, and governance support, while government agencies likely assist with policy facilitation,

financial subsidies, and institutional backing. Notably, NGOs have played an effective role in the early-stage formation and handholding of FPOs, particularly in building trust among farmers, facilitating community ownership, and nurturing initial governance structures, though their long-term business support has often been limited by project cycles or funding constraints. Their prominent role suggests that FPOs are increasingly recognized by both the public sector and civil society as vehicles for rural development and agricultural transformation.

**Fig 18 (A). FPOs formal partnerships or MoUs, Networking & Collaborations**



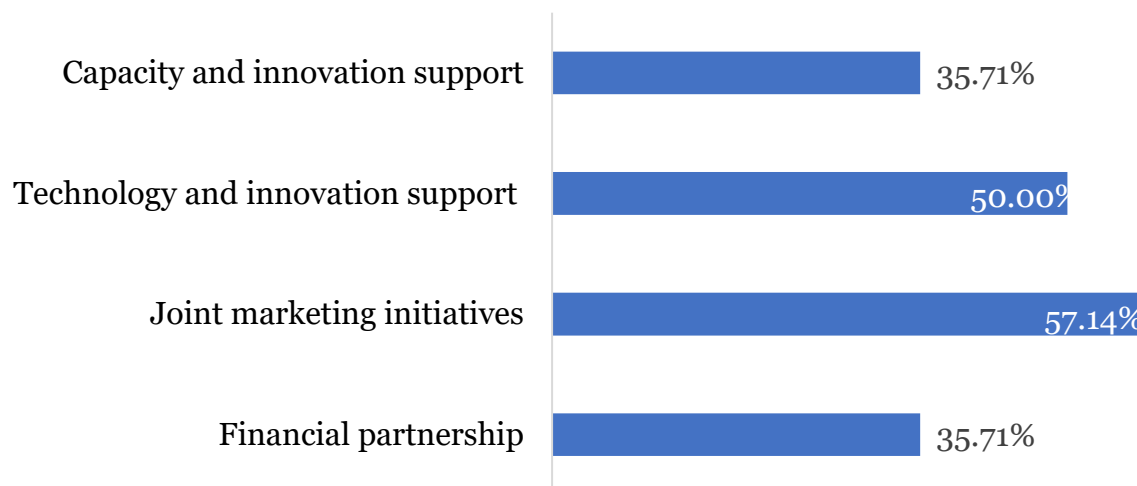
Equally notable is the engagement with research institutions or technology providers and corporates, each at 42.86%. The involvement of research and tech institutions highlights a growing demand among FPOs for scientific inputs, best practices in farming, digital tools, and post-harvest innovations. This trend reflects a shift toward evidence-based and technology-driven agriculture, indicating that FPOs are aiming to bridge the rural knowledge divide.

On the other hand, partnerships with corporates suggest a focus on supply chain integration, market access, and investment opportunities. Corporates can provide not only funding but also crucial links to national and global markets. These partnerships may also drive innovations in logistics, cold chains, branding, and quality control.

Regarding the nature of partnerships, the most frequently cited purpose is joint marketing initiatives, at 57.14%. This shows that market access remains a primary concern for FPOs, and that collaboration is viewed as a pathway to scale operations, improve price realization, and build negotiating power in the value chain. It reflects

FPOs' efforts to transition from local selling to organized and value-added marketing platforms, often under a common brand.

**Fig 18 (B). Nature of Partnership**



Technology and innovation support follows closely at 50.00%, reinforcing the earlier observation about partnerships with research and technology institutions. This underlines the need for agri-tech tools, digital platforms, and modernized farm practices to improve productivity and sustainability.

Capacity and innovation support and financial partnerships each received 35.71%, suggesting that while these are important, they are relatively underutilized compared to marketing and technology efforts. This may point to a gap in institutional training, governance building, and access to credit that could be bridged through more targeted interventions. Financial partnerships in particular remain a weak link, despite being crucial for sustaining operations, expanding infrastructure, and investing in equipment or storage facilities.

In conclusion, the data reveals that FPOs are actively engaging with a diverse set of stakeholders through formal partnerships, with a strong inclination toward marketing, technological advancement, and government/NGO collaboration. However, the underrepresentation of financial partnerships and capacity-building programs suggests areas where policy interventions and ecosystem support need to be enhanced. Strengthening these aspects will empower FPOs to not only survive but thrive as sustainable agribusiness entities, contributing significantly to rural livelihoods and national food security.

### **3.7. The bottlenecks, inadequacies etc. in the FPO ecosystem for long term sustainability of FPOs**

#### **3.7.1. Key Bottlenecks of FPOs**

The chart titled “Key Bottlenecks and Inadequacies in the FPO Ecosystem expressed by FPOs” (Fig 19) offers deep insight into the internal and external challenges confronting Farmer Producer Organizations (FPOs). Based on a 5-point Likert scale (where 5 indicates strong agreement with the challenge and 1 indicates strong disagreement), the responses highlight a range of systemic and operational issues affecting the growth and sustainability of FPOs. These bottlenecks can be broadly categorized into financial constraints, technological gaps, market access challenges, human resource limitations, and governance inefficiencies.

The most critical bottleneck, with a mean score of 4.57, is inadequate working capital for operations and procurement. This emphasizes that financial instability is the foremost concern of FPOs. Without sufficient capital, FPOs struggle to procure inputs in bulk, meet operational expenses, and fulfill commitments to their members. This restricts their ability to scale and compete with private agribusiness entities, thereby undermining their core function of enhancing farmer incomes through collective strength.

Closely following are two other key challenges: limited access to and adoption of technology for operations and value addition (4.14) and challenges in identifying and securing stable markets for produce (4.07). These findings indicate that despite the government's push for digital agriculture and smart farming, many FPOs remain under-equipped with modern tools and face difficulty in integrating technology into their workflows. Simultaneously, finding consistent markets remains a challenge, which hampers revenue generation and often leads to distress sales. This reinforces the need for digital literacy programs, investment in agri-tech infrastructure, and more robust market linkages.

Issues like low participation of members (3.36) and difficulty in hiring professional staff (3.07) reveal internal organizational weaknesses. Member disengagement may stem from lack of trust, unclear benefits, or insufficient awareness. This undermines the democratic and participatory spirit of the FPO model. Similarly, attracting and

retaining professional talent remains difficult due to remote rural locations, limited salary offerings, and lack of career growth, which compromises operational efficiency.

Other moderate concerns include adherence to legal requirements (3.00), conflicts between members and the Board of Directors (BOD) (2.64), and limited managerial skills among FPO staff (2.43). These issues collectively point toward capacity-building gaps, poor governance mechanisms, and a lack of professional management practices. When the BOD and members are not aligned or adequately trained in legal compliance and managerial functions, the long-term viability of the FPO is at risk.

On the lower end of the scale, high staff turnover (2.43), issues in collaboration with promoting agencies (2.21), and conflicts of interest in the board (2.14) reflect concerns that, while not as dominant as financial or market-related issues, still affect FPO morale and governance quality. Interestingly, the least concerning factors include difficulty in decision-making (1.93), lack of transparency in operations (1.86), and no regular audit (1.43). This might suggest either that these processes are fairly well established in most FPOs, or that members are not fully aware of these aspects, which could be a red flag for passive involvement and limited accountability.

In conclusion, the chart paints a clear picture of the multi-dimensional challenges faced by FPOs. Financial capital, technology adoption, and market access emerge as the top pain points, all of which are foundational to building competitive and sustainable agribusiness entities. Meanwhile, internal governance issues and staffing challenges highlight the need for intensive capacity-building, institutional development, and leadership training. To address these issues holistically, it is imperative that stakeholders—including government, NGOs, private sector, and promoting institutions—collaborate to design context-specific interventions, offer flexible financing solutions, build market connections, and create an ecosystem that nurtures innovation and resilience in the FPO space.

### **3.7.2. Key Bottlenecks of Member Farmers**

The table titled “Key Bottlenecks and Inadequacies in the FPO Ecosystem Ranks expressed by Member Farmers” presents a comparative analysis of the most pressing issues faced by members of various Farmer Producer Organizations (FPOs). Using a ranking system from I (highest concern) to XV (least concern), the table highlights the heterogeneous nature of challenges across 15 FPOs.



These issues span awareness, participation, benefit sharing, market access, leadership trust, training, and access to credit, indicating that while some challenges are universal, others are context-specific and deeply rooted in local dynamics and organizational practices.

Lack of awareness about the benefits of FPO membership emerged as a major concern in several FPOs, notably Nekkondaa FPCL, Guruvannapet FPCL, and Kakarvai FPCL, all of which ranked this issue as their top concern. This clearly signifies a serious information and communication gap, where farmers are either not properly oriented or are misinformed about the tangible benefits of being part of an FPO. Such unawareness undermines member engagement and limits the collective power of the FPO, making sensitization and outreach efforts critical.

Limited participation in FPO meetings and events also ranked among the top concerns in FPOs like Guruvannapet FPCL and Mangalithanda Village FPCL, as well as Kakarvai and Kattangur FPCL. Low attendance and involvement in meetings indicate a lack of ownership or perceived value, which erodes democratic functioning and weakens the internal cohesion of the FPO. It may also reflect inconvenient timings, poor facilitation, or general member apathy.

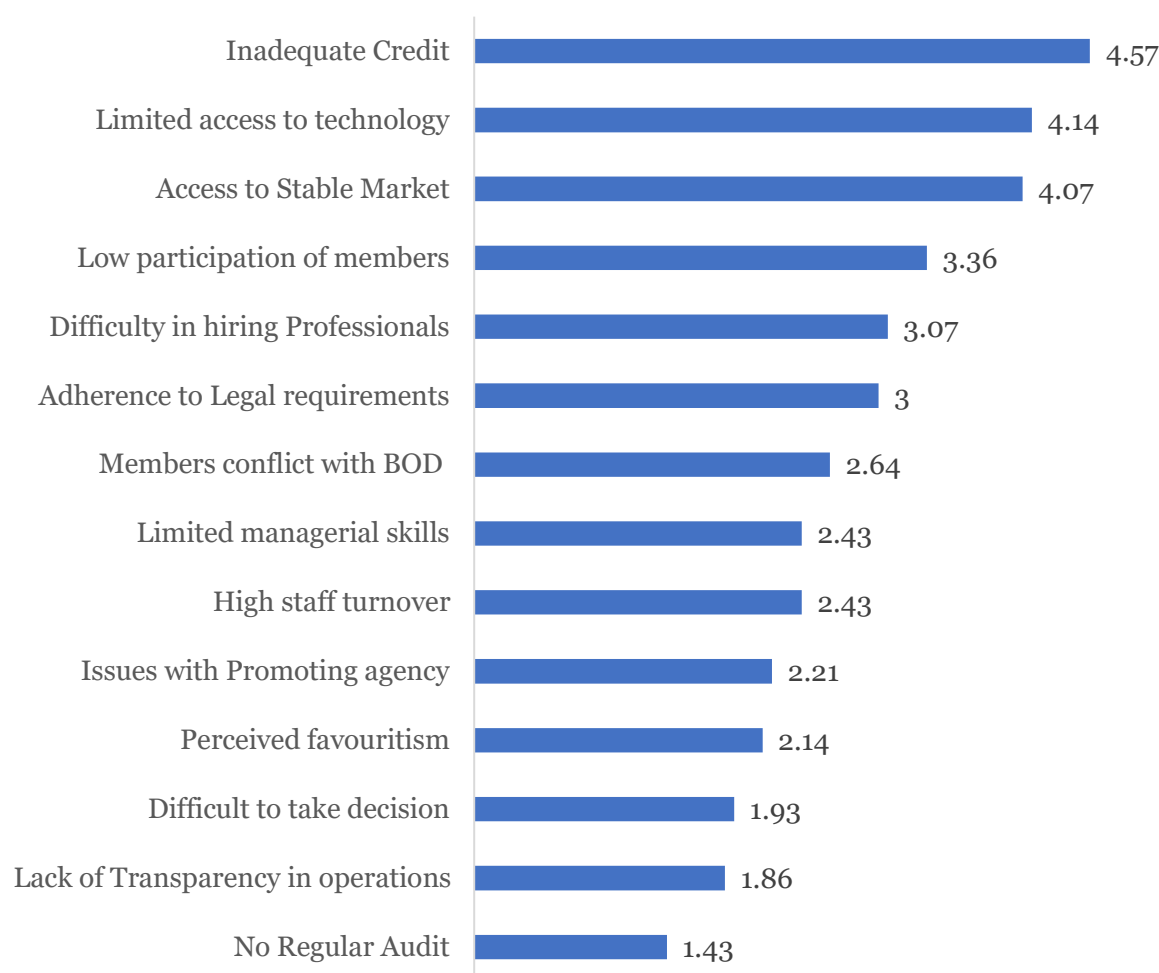
To address this, it is felt that, the FPO BoD take conscious efforts in understanding on-field level problems faced by the members and try to address them suitably to gain their confidence. Efforts should also be made to address the credit needs of the FPOs for various efforts like business and aggregation needs, adoption of technology and marketing of farmers produce.

The issue of inequitable distribution of benefits among members—such as profits, training, or input supplies—was ranked as the highest concern by Kattangur FPCL and placed within the top three by Nekkondaa FPCL. This reveals that elite capture or favouritism could be occurring in some FPOs. When benefits are seen as skewed or unfairly distributed, dissatisfaction and mistrust develop, reducing participation and affecting the unity of the organization. This underscores the need for transparent and fair mechanisms in distributing benefits among members.

Inadequate support in accessing markets for produce was identified as a high-priority challenge by Errabelli Woman FPCL and AGEEWA FPCL, among others. This points

to a broader systemic issue, where FPOs, especially in rural and tribal belts, struggle to establish consistent and profitable market linkages. Without assured markets,

**Fig 19. Key Bottlenecks and Inadequacies in the FPO Ecosystem expressed by FPOs (1-5 scale, 5- strongly agree & 1- strongly disagree)**



farmers find it difficult to realize better prices, thus weakening the economic proposition of being part of an FPO.

Another challenge that emerged is the lack of trust in FPO leadership or management, which can significantly hinder the organization's effectiveness and long-term sustainability. This distrust may stem from poor communication, lack of transparency in financial dealings, unequal benefit-sharing, or limited involvement of members in key decision-making processes. In some cases, leadership positions may be dominated by a few individuals, creating perceptions of favoritism or exclusion. Additionally,

when members do not see tangible benefits or regular updates on the FPO's performance, it leads to disengagement and skepticism. Building trust requires consistent transparency, regular member consultations, equitable service delivery, and strong accountability mechanisms, such as periodic audits and democratic election of Board members.

Limited training opportunities also featured prominently, especially in FPOs like Laxmipur, Kattangur, and Toopran, where it was ranked as a top concern. Training and skill development are vital for increasing productivity, understanding market dynamics, and improving decision-making. The lack of such opportunities creates a knowledge and confidence gap, making members dependent on external advisors or limiting their initiative in contributing to FPO operations.

Difficulty in accessing credit through the FPO emerged as a major concern, especially in Samisthi and Gumlapur FPCL, where it was ranked as the top issue. This reflects ongoing challenges in enabling timely and affordable finance for smallholder farmers. Limited access to institutional credit hampers members' ability to invest in quality inputs, machinery, and production expansion, often pushing them towards high-interest informal lending sources. Such financial exclusion undermines the core objective of FPOs—collective economic empowerment. To overcome this, integrating value chain financing models and strengthening linkages with banks, NBFCs, and government credit schemes is essential.

The data clearly reveals that challenges such as awareness, participation, equity in benefit distribution, access to credit, and market support are recurring themes across most FPOs, although the degree of severity varies. This variation underscores the need for localized strategies rather than uniform interventions. For instance, while Guruvannapet and Kakarvai need intensive awareness drives, Samisthi and Gumlapur require immediate financial facilitation and governance strengthening.

A comprehensive multi-tiered strategy is essential to address the diverse challenges faced by FPOs. This should begin with targeted awareness and participation efforts through localized IEC campaigns, regular member meetings, and structured onboarding sessions to ensure active engagement. Ensuring equity in benefit distribution requires transparent service tracking mechanisms and inclusive SOPs, with special focus on supporting women and marginalized members. Financial

facilitation can be enhanced by enabling access to credit via NABARD, AIF, and partnerships with NBFCs or fintechs, along with appointing dedicated credit facilitation officers within the FPOs. Governance must be strengthened through regular BoD elections, grievance redressal systems, performance reviews, and the adoption of digital MIS tools for transparency. On the marketing front, FPOs should conduct commodity-wise business planning, develop buyer linkages, invest in branding and packaging, and onboard digital platforms like eNAM and ONDC to improve price realization. Capacity building is equally vital and should include tailored training programs for BoDs and CEOs, exposure visits, and peer learning opportunities. Lastly, effective convergence with schemes like PMFME, NRLM, RKVY, and technical support from KVKs can provide the necessary infrastructure and skilling support, enabling FPOs to evolve into sustainable, member-driven agribusiness enterprises.

In conclusion, the perspectives of member farmers provide a grassroots-level diagnostic of the bottlenecks in the FPO ecosystem. Addressing these with contextual sensitivity, sustained institutional support, and participatory governance can significantly improve the functioning and impact of FPOs on rural livelihoods and farmer empowerment.

Table 7 (B) presents a comparative analysis of the key bottlenecks and inadequacies as perceived and ranked by member farmers across different Farmer Producer Companies (FPOs). The analysis reveals several critical challenges hindering the efficiency and inclusivity of the FPO ecosystem.

One of the prominent issues highlighted by the farmers is poor communication from the FPO management regarding policies and operations. This inadequacy appears consistently across FPOs, although with varying intensities. Notably, Toopran FPCL ranked this issue as the most critical (Rank I), indicating a significant communication gap between the management and its members. Similarly, Guruvannapet FPCL and Nekkondaa FPCL ranked this bottleneck highly (Rank VI and IV, respectively), reinforcing the need for improved internal communication mechanisms.

Another major bottleneck pertains to the lack of transparency in financial dealings, as emphasized by FPOs like Kattangur and Nawabpet, which ranked this issue relatively high (Rank III). This indicates that financial opacity remains a pressing concern that

can undermine member trust and weaken collective functioning. To address this, a combination of structural, technological, and participatory measures is essential. Regular, simplified financial reporting—preferably in the local language and supported by visuals—should be a routine part of monthly or quarterly meetings to keep members informed about income, expenses, profits, and fund utilization. The use of digital accounting and MIS tools such as FPO Soft or AgribizMate can help maintain real-time, transparent records accessible to leadership and key stakeholders. Independent audits, with summary reports publicly shared through notice boards or digital groups, will further reinforce accountability. Capacity-building programs focused on financial literacy and compliance for BoDs and CEOs can empower them to manage finances more transparently. Moreover, involving members in annual budgeting and decisions on profit sharing can promote a sense of ownership and collective trust. On the other hand, FPOs like AGEEWA and Errabelli ranked this issue much lower (Rank XV), which may reflect either a genuinely lower concern or, more likely, limited awareness among members regarding financial processes—highlighting the need for broader financial sensitization.

Lack of timely updates on regulatory or market changes also surfaced as a significant challenge. AGEEWA FPCL ranked this issue as the most critical (Rank I), emphasizing its direct impact on farmers' decision-making. The absence of structured mechanisms for information dissemination may lead to suboptimal market participation and non-compliance with regulatory frameworks.

The data further reveal that limited knowledge of FPO processes and decision-making mechanisms is another persistent inadequacy. DNT FPCL (Rank II) and Toopran FPCL (Rank IV) underscored this issue, reflecting the need for greater member orientation, capacity building, and participatory governance practices. Many FPOs appear to struggle with effectively involving their members in key decision-making processes, which can hinder a sense of ownership and empowerment among the stakeholders.

Access to agricultural inputs also remains a pressing concern, particularly in FPOs like Kakarvai (Rank II), Toopran (Rank III), and DNT (Rank VI). This indicates logistical or operational shortcomings that prevent timely and equitable distribution of essential

resources like seeds and fertilizers. Addressing these issues is crucial for ensuring the functional utility of FPOs in supporting member livelihoods.

A particularly sensitive issue raised by the member farmers is the perceived favouritism towards certain members. This is most acutely observed in Mangalithanda Village FPCL, where it is ranked as the top concern (Rank I), and Nekkondaa (Rank II). Such perceptions, if unaddressed, could lead to member disengagement, internal conflicts, and erosion of collective spirit. To address this, FPOs should establish clear and transparent Standard Operating Procedures (SOPs) for service delivery and benefit allocation, ensuring equal access for all members. Rotational opportunities for trainings and services, formation of grievance redressal committees, and regular open meetings for feedback can promote fairness. Transparent decision-making through documented resolutions and inclusive communication further helps reduce bias.

Finally, the lack of grievance redressal mechanisms also emerged as a key inadequacy in many FPOs. Gumlapur FPCL (Rank II), DNT (Rank III), and Wanaparthi Girijana FPCL (Rank III) highlight this issue, suggesting a systemic gap in addressing member concerns and disputes. An effective grievance mechanism is essential for maintaining transparency, equity, and accountability in FPO functioning.

In summary, the rankings indicate that while the nature and intensity of bottlenecks vary across FPOs, several issues such as poor communication, limited access to inputs, lack of transparency, and absence of grievance redressal mechanisms are common across the ecosystem. Addressing these challenges requires targeted institutional support, capacity-building efforts, and policy interventions to enhance the inclusivity, responsiveness, and sustainability of FPOs.

**Table 7 (A): Key Bottlenecks and Inadequacies in the FPO Ecosystem Ranks expressed by Member farmers**

| <b>Name of FPO</b>         | <b>Lack of awareness about the benefits of being an FPO member</b> | <b>Limited participation in FPO meetings and events</b> | <b>Inequitable distribution of benefits among members</b> | <b>Inadequate support in accessing markets for produce</b> | <b>Lack of trust in FPO leadership or management</b> | <b>Limited training opportunities provided to members</b> | <b>Difficulty in accessing credit through the FPO</b> |
|----------------------------|--|---|---|--|--|---|---|
| Errabelli Woman FPCL       | VII  | XII   | XIV   | II   | X  | IX  | IV  |
| AGEEWA FPCL                | III  | XIII  | XIV   | IV   | X  | XII   | V   |
| Nekkondaa FPCL             | I  | VIII  | III   | XIII   | XI   | XV  | VI  |
| Kattangur FPCL             | XV   | IV  | I   | XI   | VIII   | II  | VI  |
| Mangalithanda Village FPCL | V  | II  | VIII  | XI   | VI   | XV  | III   |
| Kakarvai FPCL              | I  | IV  | XV  | XIV  | VII  | XIII  | VIII  |
| Nawabpet FPCL              | XI   | X   | IX  | IV   | VIII   | VI  | II  |
| Samisthi FPCL              | XIII   | VIII  | XII   | IV   | XV   | V   | I   |
| Wanaparthi Girijana FPCL   | X  | IX  | XII   | VI   | XIII   | VIII  | II  |
| Laxmipur FPCL              | IV   | VI  | XI  | VII  | XII  | II  | III   |
| Gumlapur FPCL              | VII  | VIII  | XIV   | IX   | IV   | V   | I   |
| DNT FPCL                   | XIV  | XV  | XI  | XII  | XIII   | VII   | IV  |
| Guruvannapet FPCL          | I  | II  | XI  | VIII   | X  | V   | III   |
| Toopran FPCL               | VIII   | VII   | XI  | VI   | XII  | II  | V   |



**Table 7 (B): Key Bottlenecks and Inadequacies in the FPO Ecosystem Ranks expressed by Member farmers**

| <b>Name of FPO</b>         | <b>Poor communication from FPO management about policies and operations</b> | <b>Low transparency in financial dealings of the FPO</b> | <b>Lack of timely updates on regulatory or market changes</b> | <b>Limited knowledge of FPO processes and decision-making mechanisms</b> | <b>Difficulty in accessing inputs like seeds or fertilizers from the FPO</b> | <b>Perceived favouritism toward certain members by the FPO</b> | <b>Lack of grievance redressed mechanisms for members</b> |
|----------------------------|---|--|---|--|--|--|---|
| Errabelli Woman FPCL       | VIII  | XV   | VI  | V  | XIII   | III  | XI  |
| AGEEWA FPCL                | XI  | XV   | I   | VI   | IX   | VII  | VIII  |
| Nekkondaa FPCL             | IV  | XIV  | IX  | V  | XII  | II   | X   |
| Kattangur FPCL             | IX  | III  | X   | XII  | VII  | XIV  | V   |
| Mangalithanda Village FPCL | X   | VII  | XIV   | IX   | XII  | I  | XIII  |
| Kakarvai FPCL              | XI  | VI   | XII   | X  | II   | III  | IX  |
| Nawabpet FPCL,             | XII   | III  | XIII  | XIV  | XV   | VII  | V   |
| Samisthi FPCL              | XI  | IX   | X   | XIV  | VI   | VII  | III   |
| Wanaparthi Girijana FPCL   | XI  | IV   | XIV   | XV   | V  | VII  | III   |
| Laxmipur FPCL              | XIII  | XIV  | VIII  | IX   | X  | XV   | V   |
| Gumlapur FPCL              | X   | XI   | XII   | VI   | XIII   | XV   | II  |
| DNT FPCL                   | VIII  | V  | IX  | II   | VI   | X  | III   |
| Guruvannapet FPCL          | VI  | XII  | IV  | VII  | XV   | XIV  | XIII  |
| Toopran FPCL               | I   | IX   | X   | IV   | III  | XV   | XIV   |



## CHAPTER 4

### SUMMARY, FINDINGS AND RECOMMENDATIONS

#### 4.1. Summary

The Indian agriculture sector, which supports nearly 60% of the population, is dominated by small and marginal farmers who face several systemic challenges, including limited access to affordable inputs, credit, markets, and technology. To address these issues, Farmer Producer Organizations (FPOs) have emerged as a strategic solution to empower farmers through collectivization, enabling them to benefit from economies of scale, better market access, and increased bargaining power. Recognizing the transformative potential of FPOs, NABARD launched the Producer Organization Development Fund – Interest Differential (PODF-ID) initiative to support FPOs through capacity building, credit facilitation, and market linkages. Telangana has seen the promotion of around 350 such FPOs, supported by NABARD and aligned stakeholders such as SFAC and NAFED, with the goal of improving farmer incomes and driving rural development.

This study was conducted to evaluate the performance, challenges, and sustainability of selected NABARD-supported FPOs in Telangana. It investigates their impact on member incomes, organizational governance, access to finance, and integration with value chains. Using a proportionate zone-wise sampling method, 14 FPOs across three regions of Telangana were studied, involving surveys with 700 farmers and key stakeholder interviews. The findings aim to inform stakeholders about the effectiveness of FPOs and provide actionable insights for enhancing their role in achieving inclusive and sustainable agricultural growth.

Chapter 2 presents comprehensive profiles of the 14 Farmer Producer Organizations (FPOs) included in the study across various districts in Telangana. Each FPO varies in commodities handled, organizational structure, scale of operations, and service delivery. The FPOs cater to a range of agricultural commodities such as paddy, cotton, maize, redgram, turmeric, fruits, and vegetables. Membership ranges from 300 to over 1,000 farmers, with active participation noted in input procurement, produce aggregation, and marketing activities. While several FPOs—like Errabelli and

AGEEWA—are led by women or have women-dominated Boards of Directors, others still lack gender diversity in governance.

Most FPOs provide basic services like input supply, crop advisory, and aggregation. Some, like DNT and Kattangur FPOs, have successfully established value-addition infrastructure such as cotton oil extraction units, dal mills, and citrus processing centers, which enhance profitability and member satisfaction. Marketing remains largely offline and localized, with only a few FPOs attempting brand-building or exploring digital or institutional sales channels. Technology adoption is still limited across FPOs, though notable exceptions exist—like Nekonda FPO's drone spraying services and Kattangur's solar-powered cold storage and pack house. Credit linkages and access to formal finance remain weak or undocumented for many FPOs, hindering business expansion and liquidity management.

Most FPOs are registered and compliant with statutory requirements, but challenges persist in regular audits, return filings, and accessing formal financial and government support systems. Non-credit services like custom hiring centers (CHCs), crop processing, and capacity-building initiatives vary in scope. While a few FPOs, such as Samisthi and Mangalithanda, demonstrate innovative approaches like mobile transportation vans or direct market outlets, others are in nascent stages and require support to scale up. Overall, the chapter showcases a diverse landscape of emerging farmer institutions with high potential for impact, yet needing targeted investment in infrastructure, digital tools, governance training, and access to credit for sustained growth and effectiveness.

This study provides a comprehensive analysis of the organizational, financial, social, and operational performance of Farmer Producer Organizations (FPOs) in Telangana. It highlights that most of the studied FPOs were established between 2018 and 2019, reflecting a concerted push by government agencies like NABARD to promote collective farming. Structurally, all FPOs have a defined organizational framework consisting of a Board of Directors (BoD), a Chief Executive Officer (CEO), functional committees, and field staff. However, despite the presence of these governance bodies, significant disparities exist in human resource capacity, women's participation, and the effectiveness of operations. For instance, while some FPOs like Errabelli Woman FPCL and AGEEWA FPCL are entirely women-led, others such as Mangalithanda

FPCL have no women representation at all. This reflects inconsistent progress toward gender inclusion.

The training and capacity-building aspect of FPO development shows moderate success. On average, each FPO conducted around 2.36 training programs, predominantly organized by government and NGO actors. Training quality, relevance, and participation varied significantly, with higher engagement generally correlating with higher perceived usefulness. The majority of the training focused on foundational subjects like accounts, bookkeeping (40%), and governance (30%), whereas more strategic areas like technology adoption (20%) and value addition (10%) were relatively underrepresented. This indicates a need to diversify training topics in line with evolving market and technological trends.

Economically, the impact of FPOs on member farmers has been significant but uneven. The data show an average increase of 12.67% in farmer incomes after joining FPOs, primarily driven by reduced input costs, better price realization, and increased access to markets. Nevertheless, disparities persist. Some FPOs like Samisthi FPCL reported income increases as high as 35.9%, while others, including Wanaparthi Girijana FPCL, saw negligible changes. Additionally, while technological adoption—such as SRI cultivation, zero tillage, and drone applications—has increased among some members, income diversification into non-farm activities remains low (only 3.57%).

The social and community impact of FPOs is also well documented. Many members reported improvements in household income, nutrition, education, and overall well-being. Beyond economic benefits, participation in FPOs has led to stronger social engagement, better communication skills, and higher self-esteem. However, leadership development—especially among women—remains a growth area. Notably, only 24% of members acknowledged significant strides in women's empowerment, and leadership confidence levels were lower than other metrics of social development.

Financially, FPOs have shown promising growth in turnover and investment. Average turnover doubled from FY 2022–23 to FY 2023–24, and investment figures also increased substantially. However, profitability did not increase proportionately, suggesting challenges in cost management, price realization, and operational efficiency. A majority of FPO revenues come from input supply (62.57%), while value-

added services like processing and branding contribute less than 10%. This dependence on input supply, along with high procurement and logistics costs, limits profitability and long-term financial sustainability.

FPOs are actively offering services such as crop advisory, input supply, training, and transportation. Yet, access to credit, post-harvest infrastructure, and market intelligence remains limited. Only a small fraction of FPOs offer services like cleaning and grading (21.43%), cold storage (7.14%), or crop insurance (1.57%). This indicates critical infrastructure gaps that hinder their ability to effectively support members across the value chain.

Moreover, while the majority of farmers are aware of decisions made by their FPO's BoD, awareness of key business functions such as financial performance, pricing mechanisms, and market linkages remains low. For instance, only 5.14% of farmers were aware of how produce pricing is determined, highlighting transparency issues in FPO operations. Overall satisfaction among members is moderate—over half are satisfied, but nearly a quarter remain neutral, and 15% express dissatisfaction, pointing to areas needing attention.

The existing business models of FPOs are heavily reliant on regulated APMC markets, and only a minority have developed direct market linkages or contract farming arrangements. Partnerships with government bodies and NGOs are common, particularly for training and technology support. However, formal collaborations for financial services or enterprise development are limited. Several structural and operational bottlenecks are identified, the most severe being lack of working capital, inadequate market access, and low technology adoption. Internal governance challenges such as poor participation, limited training, and inequitable benefit distribution also hinder FPO performance and member trust.

## **4.2. Problems Identified and Recommended Workable Solutions**

### **1. Inadequate Working Capital**

FPOs in Telangana consistently face inadequate access to working capital, which restricts their operational capability to procure inputs in bulk, aggregate member produce, and provide timely services during peak seasons. The absence of structured and affordable credit lines leads to dependence on informal sources or delays in

procurement. A sustainable solution is the provision of low-interest working capital loans with minimal collateral requirements through NABKISAN, PACS, or cooperative banks. NABARD can spearhead the development of a Digital Lending Portal that streamlines KYC processes, automates CIBIL checks, and conducts cash flow-based assessments to fast-track loan approvals. Additionally, enhancing interest subvention support (3-5%) under the PODF scheme would reduce borrowing costs for FPOs. Banks can also be encouraged to offer pre-approved seasonal credit limits to credit-rated FPOs. Moreover, creating a revolving fund or corpus support mechanism managed by CBBOs or federated FPOs would ensure uninterrupted liquidity flow during critical periods. A successful reference is the MACS-based credit linkage model in Andhra Pradesh, where federated PACS provide collateral-free loans to member FPOs using NABARD's refinance support (*Reddy & Sah, 2021; NABKISAN Lending Framework, 2022*)

## **2. Weak Credit Linkages with Financial Institutions**

Most FPOs lack the institutional capacity to interact effectively with banks and NBFCs, often due to limited awareness, weak documentation, and a lack of credit history. This results in poor credit uptake despite eligibility. A workable approach includes the deployment of Financial Facilitation Officers at the district level through CBBOs or POPIs, who can assist FPOs in preparing bankable proposals, maintaining compliance records, and liaising with financial institutions. NABARD, in partnership with credit bureaus, can establish a standardized FPO Credit Score System that uses financial performance metrics and governance indicators to enable informed lending decisions. The Credit Guarantee Fund Scheme for FPOs (CGFS-FPO) should be widely promoted among bankers to reduce their risk perception and improve loan disbursement rates. Maharashtra's MAGNET project serves as an ideal replicable model, where embedded finance specialists at the cluster level have streamlined credit access for FPOs across value chains (*Government of Maharashtra, 2023; NABARD CGFS-FPO Guidelines 2022*).

## **3. Absence of Processing and Value Addition Infrastructure**

A significant number of FPOs lack access to essential processing units such as dal mills, turmeric polishers, seed cleaners, and oil extractors, compelling them to sell unprocessed produce at low market prices. To address this, NABARD should



collaborate with state departments to implement a Capital Subsidy Model under PMFME, MIDH, and RKVY, offering 50-70% financial support for setting up primary processing units. FPOs can also be encouraged to develop collective processing centers under RIDF with technical guidance from CBBOs. Furthermore, KVKs and private firms can deliver modular training on the operation, repair, and marketing of processed goods. The turmeric processing clusters in Bihar and redgram units in Chhattisgarh exemplify the positive impact of community-level value addition infrastructure in boosting farmer incomes and FPO turnover (*SFAC Annual Report 2022; MIDH Guidelines, MoA&FW 2021*).

#### **4. Low Technology Adoption**

Despite their potential, many FPOs still rely on manual registers, handwritten ledgers, and paper invoices for managing operations, which results in inefficiencies and data loss. The integration of digital tools is crucial for scaling operations and improving transparency. NABARD can support the development and deployment of a Digital Toolkit for FPOs that includes mobile applications for inventory management, cloud-based accounting systems with GST compliance, member advisory platforms, and real-time price information dashboards. These services should be made affordable through a SaaS model in partnership with agri-tech startups like a-IDEA or institutions like NAARM. Karnataka's SAHAJ platform is a model worth emulating, as it provides over 100 FPOs with digital record-keeping, traceability solutions, and real-time procurement management (*Government of Karnataka SAHAJ Dashboard 2023*).

#### **5. Limited Women Representation in Governance**

The participation of women in FPO management and decision-making remains negligible, limiting the inclusiveness and diversity of perspectives in governance. A corrective strategy involves mandating at least 30% representation of women in FPO Boards, with one woman holding a functional portfolio such as Finance or Procurement. NABARD can create dedicated Women-FPO Development Tracks under PODF, offering higher capital support and reserved training modules. Leadership, enterprise management, and digital finance training must be tailored for women directors. The Mahila Kisan Sashaktikaran Pariyojana (MKSP) implemented in

Odisha, where women-led FPOs manage seed, vegetable, and processing value chains, is a high-impact model that Telangana can adopt with regional adaptations (*MoRD MKSP Guidelines, 2021; Odisha State MKSP Annual Report, 2022*)

## **6. Market Dependency on APMC and Local Traders**

A large proportion of FPOs in Telangana rely heavily on traditional APMC markets and middlemen for selling produce, which limits price realization and bargaining power. To enable better marketing outcomes, NABARD can facilitate the creation of institutional market linkages by onboarding FPOs onto platforms like e-NAM, ONDC, and agri-retail aggregators such as BigBasket and Amazon Saheli. Monthly buyer–seller meets should be organized at the district level to connect FPOs with processors, exporters, and retail chains. The establishment of federated FPOs can help pool volumes and engage in direct marketing. Madhya Pradesh has successfully implemented this through FPC federations that signed long-term procurement contracts with BigBasket and ITC, significantly improving profitability and reducing market dependency (*UNDP–MP Report on Market Linkages, 2022*)

## **7. Lack of Branding, Packaging & Certification**

FPOs face challenges in accessing high-value markets due to poor product presentation, lack of branding, and absence of certification. To bridge this gap, NABARD should facilitate support under SFAC's Market Development Assistance (MDA) Scheme and MSME branding programs. Assistance can include FSSAI registration, labeling, barcoding, and access to affordable packaging services through empaneled vendors. Collaboration with local design schools and marketing consultants can further improve product appeal. Training programs focused on branding, customer segmentation, and market trends for FPO CEOs and BoDs are essential. The Aranya Naturals initiative in Tamil Nadu is a notable model where tribal and women-led FPOs successfully established their brand presence in niche organic product markets (*Aranya Naturals 2020; SFAC MDA Scheme 2022*).

## **8. Inconsistent Governance and Statutory Compliance**

Many FPOs struggle to maintain regular filings under the Companies Act, adhere to GST requirements, or prepare timely audits, which affects their credibility with financial institutions and donors. A solution is to establish Compliance Cells at the

CBBO level to track statutory filings of each FPO. NABARD can support the development of digital compliance dashboards integrated with MCA and GST portals to ensure proactive alerts and real-time monitoring. Empanelling district-level CA and CS professionals to provide discounted services will also strengthen FPO governance. Maharashtra's FPO Hub offers a successful template, where centralized compliance services and digital tools ensure transparency and timely statutory adherence (*NABARD Maharashtra FPO Hub Handbook, 2021*)

### **9. Low Awareness among Farmer Members**

Low awareness and understanding among farmer members about the functioning and benefits of FPOs leads to weak participation and engagement. POPIs should implement targeted awareness campaigns using visual aids, audio-video vans, folk media, and street plays to reach grassroots communities. Regular Gram Sabha-style meetings, transparency boards, and village notice boards can help build trust. FPOs should also identify and train Kisan Mitras or Village Resource Persons (VRPs) to act as peer educators and local champions. Jharkhand State Livelihood Promotion Society's use of community media and grassroots campaigns has significantly improved member engagement in FPOs and can serve as a viable approach for Telangana (*JSLPS FPO Engagement Strategy, 2022*)

### **10. Poor Convergence with Government Schemes**

Many FPOs miss out on benefits from central and state government schemes due to lack of convergence and coordination. NABARD should facilitate the creation of District Convergence Committees including departments such as Agriculture, Horticulture, MSME, and Rural Development to align schemes like PMFME, PM-KUSUM, SFURTI, and Agri Infra Fund. CBBOs must support each FPO in developing a Convergence Action Plan and tracking fund utilization. Digital dashboards can be used to track applications and scheme integration status. The pilot project in Suryapet, Telangana, where the Horticulture Department supported FPOs in developing nurseries and greenhouses through convergence, showcases how institutional alignment can enhance FPO infrastructure (*Telangana Horticulture Department Report, 2023*).

## 11. Lack of Storage, Cold Chain, and Logistics Infrastructure

FPOs often lack access to storage godowns, cold chain units, and logistics infrastructure, resulting in distress sales and post-harvest losses. NABARD and state departments can provide 50–85% capital subsidies for establishing modular cold storage units, solar-powered packhouses, and refrigerated transport vehicles under RIDF and Agri Infra Fund schemes. Training FPOs in warehouse receipt systems, leasing models, and infrastructure sharing through geo-tagged platforms will further improve utility. The Meghalaya cold chain model, supported by the Departments of Agriculture and Tribal Affairs, offers a replicable framework for Telangana to enhance its post-harvest management ecosystem (*Meghalaya State Agri Infra Report 2022; MoFPI AIF Dashboard, 2024*)

### 4.3. Conclusion

The impact evaluation of NABARD-supported Farmer Producer Organizations (FPOs) under the PODF-ID initiative in Telangana reveals that while considerable progress has been made in mobilizing farmers and institutionalizing FPOs, several structural, financial, and operational challenges persist that hinder their growth, sustainability, and impact. Key issues such as limited access to working capital, weak credit linkages, inadequate processing infrastructure, low technology adoption, minimal women participation, and overdependence on traditional markets continue to constrain the full potential of these institutions. Furthermore, gaps in branding, statutory compliance, farmer awareness, and convergence with government schemes highlight the need for a more integrated and strategic approach to FPO promotion and strengthening.

To address these challenges, the study recommends a set of targeted and workable solutions, including the introduction of digital credit platforms, capacity-building for credit facilitation, establishment of community-level processing units, deployment of affordable digital toolkits, and proactive measures to enhance women's leadership and statutory compliance. Importantly, the study emphasizes the need for deeper institutional convergence across schemes and departments, improved market access through public–private partnerships, and a strong focus on member education and governance reforms. Replicable models from states such as Andhra Pradesh,

Maharashtra, Odisha, and Karnataka provide practical roadmaps for Telangana to scale successful practices tailored to its agro-ecological and socio-economic context.

Going forward, NABARD, in collaboration with state departments, CBBOs, and POPIs, must continue to act as a catalyst—not only providing financial support but also facilitating policy-level alignment, convergence frameworks, and market innovation platforms. Strengthening the FPO ecosystem through such comprehensive and systemic interventions will not only ensure better incomes and resilience for small and marginal farmers but also contribute meaningfully to the broader goals of inclusive rural development, food system transformation, and agricultural sustainability in Telangana.

#### **4.4. Way Forward**

This study has served as a critical lens to assess the functioning, performance, and sustainability of NABARD-supported FPOs in Telangana under the PODF-ID initiative. By identifying real-world operational bottlenecks, governance gaps, financial constraints, and infrastructure needs, it provides a comprehensive foundation for evidence-based policymaking and program design. However, to further deepen the understanding and responsiveness of future studies, a more robust and multi-dimensional evaluation framework is necessary—one that not only captures outputs and challenges but also quantifies long-term outcomes and institutional resilience of FPOs.

Future studies should aim to integrate longitudinal tracking mechanisms, enabling the observation of FPO development over time, including member income progression, business model evolution, and governance maturity. Such studies can adopt mixed-method approaches, combining financial audits, governance diagnostics, geospatial data, and social impact indicators to deliver a 360-degree performance evaluation. In particular, disaggregated analysis by commodity, geography, gender participation, and CBBO type will help identify differentiated support strategies.

Moreover, future impact assessments should also explore value chain competitiveness, forward market linkages, and member satisfaction levels using structured metrics and rating scales. Linking FPO performance data with district-level agri-market trends,

digital penetration, and policy convergence levels can further provide insights into ecosystem enablers or blockers.

The recommendations from future studies should go beyond general observations and focus on actionable, scalable, and context-specific interventions. Special emphasis should be placed on areas such as:

- Evaluating the effectiveness of capital subsidies vs. revenue-based support
- Impact of digital adoption on FPO profitability and transparency
- Role of federated FPOs in aggregation and advocacy
- Exposure visits
- Comparative performance of different CBBO strategies
- Integration of sustainability, climate resilience, and environmental stewardship in FPO planning

Additionally, future studies can explore cross-state learning exchanges, documenting high-performing FPOs and best practices from across India and evaluating their applicability within Telangana's socio-economic and agro-ecological context.

To conclude, this study should be seen not as an endpoint, but as a starting point for a more dynamic, participatory, and systems-oriented learning journey. Continuous documentation, feedback loops, and iterative policy recalibration will be critical in transforming the FPO ecosystem into a vibrant, farmer-centric, and market-driven institutional architecture capable of ensuring long-term rural prosperity.

**Table 8: Overview of Identified Problems, Solutions, Models, and Implementation Duration**

| Sl. No. | Problem                           | Core Solution Strategy   | Replicable Model  | Implementation Duration         |
|---------|-----------------------------------|--|---|---------------------------------|
| 1       | Inadequate Working Capital        | Provide low-interest, collateral-free working capital loans via NABKISAN/PACS; develop digital lending platforms; set up revolving corpus funds. | MACS-PACS Model – Andhra Pradesh (Reddy & Sah, 2021)      | Short to Mid Term (3–12 months) |
| 2       | Weak Credit Linkages              | Deploy finance officers via CBBOs; promote CGFS-FPO; create credit scoring systems and conduct banker sensitization.                             | MAGNET Project – Maharashtra (Govt. of Maharashtra, 2023) | Short Term (0–6 months)         |
| 3       | Lack of Processing Infrastructure | Support with 50–70% capital subsidy through PMFME/MIDH/RKVY; promote cluster processing centers; conduct technical training through KVKs.        | Turmeric clusters – Bihar; Redgram units – Chhattisgarh   | Mid to Long Term (12–24 months) |
| 4       | Low Technology Adoption           | Provide Digital Toolkits (e.g., apps, cloud MIS); implement SaaS-based digital solutions via NAARM/a-IDEA for record-keeping, GST, member data.  | SAHAJ Platform – Karnataka (GoK, 2023)                    | Short to Mid Term (3–12 months) |



| Sl. No. | Problem                                 | Core Solution Strategy  | Replicable Model                                 | Implementation Duration         |
|---------|---|---|--|---------------------------------|
| 5       | Limited Women Governance Representation | Mandate 30% women in BoDs; promote Women-FPO tracks under PODF; support through MKSP with training in leadership and enterprise.                  | Women FPOs – Odisha (MoRD, 2021)                 | Mid Term (6–12 months)          |
| 6       | Market Dependency on APMC & Traders     | Link FPOs to e-NAM, ONDC, and private retailers; conduct buyer–seller meets; promote federated FPOs for B2B marketing.                            | FPC-BigBasket MoUs – Madhya Pradesh (UNDP, 2022) | Short to Mid Term (3–12 months) |
| 7       | Lack of Branding & Certification        | Support through SFAC MDA and MSME schemes; enable FSSAI, barcoding, packaging; engage designers and marketing professionals for product branding. | Aranya Naturals – Tamil Nadu (2020)              | Mid Term (6–12 months)          |
| 8       | Inconsistent Statutory Compliance       | Establish CBBO Compliance Cells; empanel CA/CS at district level; develop Digital Compliance Dashboards for ROC/GST alerts and filing.            | FPO Hub – Maharashtra (NABARD, 2021)             | Short Term (0–6 months)         |

| Sl. No. | Problem                                     | Core Solution Strategy  | Replicable Model                                   | Implementation Duration         |
|---------|---|---|--|---------------------------------|
| 9       | Low Awareness Among Members                 | Run visual/audio-based grassroots campaigns; train Village Resource Persons (VRPs) or Kisan Mitras; hold quarterly town halls and transparency boards.    | JSLPS Village Campaign – Jharkhand (2022)          | Short Term (0–6 months)         |
| 10      | Poor Convergence with Govt. Schemes         | Form District Convergence Committees; develop scheme-wise action plans for FPOs; integrate AIF, PMFME, SFURTI, and horticulture subsidies via dashboards. | Suryapet FPO-Horticulture Pilot – Telangana (2023) | Mid to Long Term (12–24 months) |
| 11      | Lack of Storage & Cold Chain Infrastructure | Subsidize solar cold storage, logistics, packhouses via AIF/RIDF; promote warehouse receipt systems and shared infra models using geo-tagging.            | Cold Chain Model – Meghalaya (2022)                | Long Term (18–24+ months)       |

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**Annexure-I**

**Questionnaire to Examine the Organizational Structure and Governance  
Framework of FPOs**

1. Name of the respondent:
2. Mobile no:
3. Email:

**Section A: Organizational Structure**

4. Name of the FPO: \_\_\_\_\_
5. Date of Establishment: \_\_\_\_\_
6. Legal Form:
  - ☐ Producer Company ☐ Cooperative Society
  - ☐ Other (Specify): \_\_\_\_\_
7. Promoting Institution (PI): \_\_\_\_\_
8. Number of Board of Directors (BoD): \_\_\_\_\_
  - o Male: \_\_\_\_\_
  - o Female: \_\_\_\_\_
9. Management Team Composition:
  - o Name of the CEO: \_\_\_\_\_ (Name & Qualification)
  - o Qualification of CEO:

| S.no | Category                    | Tick |
|------|-----------------------------|------|
| 1    | Illiterate                  |      |
| 2    | Upto Intermediate           |      |
| 3    | Graduate and above Graduate |      |

- o Number of Full-time Staff: \_\_\_\_\_
- o Number of Part-time Staff: \_\_\_\_\_
- o CEO overall Experience:

**10. No. of Shareholders farmers:** \_\_\_\_\_

## **Section B: Governance Framework**

**11. Last year (Jan-Dec, 2024), how many Board meetings are conducted** \_\_\_\_\_

**12. The BoD meetings documented (minutes recorded)?** Yes /No

**13. How are decisions made within the FPO?**

- ☐ By majority voting in BoD meetings
- ☐ Consensus among BoD members
- ☐ Decision by CEO with BoD approval
- ☐ Other (Specify): \_\_\_\_\_

**14. How are new BoD members elected or nominated?**

- ☐ Through elections by members
- ☐ Nomination by existing BoD
- ☐ Other (Specify): \_\_\_\_\_

**15. Does the FPO have a written set of policies and guidelines for governance?** Yes/ No

**16. What percentage of members actively participate in GBMs?**  
\_\_\_\_\_ %

**17. How are members informed about key decisions and activities of the FPO? (Select all that apply)**

- ☐ Not Communicated Properly
- ☐ Circulars or notices
- ☐ SMS or mobile app notifications
- ☐ Meetings
- ☐ Other (Specify): \_\_\_\_\_

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## **Section C: Administrative Processes**

**18. Does the FPO have a formal accounting and bookkeeping system?**

Yes/No

If yes, specify Whether It is manual/software  
used: \_\_\_\_\_



**19. Who approves financial transactions within the FPO?**

- ☐ CEO
- ☐ BoD
- ☐ Joint approval (CEO + BoD)
- ☐ Other (Specify): \_\_\_\_\_

**20. Does the FPO conduct regular internal financial audits?**

Yes/No

- **If yes, how frequently are audits conducted?**
  - ☐ Quarterly
  - ☐ Annually
  - ☐ Other (Specify): \_\_\_\_\_

**21. What are the key administrative challenges faced by the FPO?**

**(Select all that apply)**

- ☐ Lack of trained staff
  - ☐ High operational costs
  - ☐ Delayed payments from buyers
  - ☐ Other (Specify): \_\_\_\_\_
- 

**Section D: Range of Activities Undertaken**

**22. What are the primary activities undertaken by the FPO to support its members? (Select all that apply)**

- ☐ Aggregation and sale of produce
- ☐ Input supply (seeds, fertilizers, etc.)
- ☐ Crop Advisory Services
- ☐ Processing and value addition
- ☐ Access to credit and financial services
- ☐ Training and exposure visits
- ☐ Market linkages and promotion
- ☐ Other (Specify): \_\_\_\_\_

**23. Does the FPO provide any of the following services to its members? (Select all that apply)**

- ☐ Storage facilities
- ☐ Transportation services
- ☐ Cleaning and Grading
- ☐ Market information dissemination
- ☐ Other (Specify): \_\_\_\_\_

**24. How are input supplies (seeds, fertilizers, etc.) procured and distributed to members?**

- ☐ Direct purchase and selling to members
- ☐ Facilitated through third party Vendors/Suppliers
- ☐ Other (Specify): \_\_\_\_\_

**25. How does the FPO ensure quality control in the produce it aggregates?**

- ☐ Do not test the quality
- ☐ On-farm quality checks
- ☐ Post-harvest quality checks at collection centres
- ☐ Through third-party agencies
- ☐ Other (Specify): \_\_\_\_\_

**26. What percentage of members regularly Buy from or Sell their produce through the FPO? \_\_\_\_\_%**

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#### **Section E: Management Practices**

**27. Does the FPO have a business plan or strategic roadmap?**

Yes/No

**28. How frequently is the business plan reviewed and updated?**

- ☐ Not done
- ☐ Annually
- ☐ Every 3 years
- ☐ Other (Specify): \_\_\_\_\_

**29. Does the FPO have a dedicated team for business development and marketing? Yes/No**

**30. How does the FPO track its operational performance? (Select all that apply)**

☐ Key performance indicators (KPIs)

☐ Regular reports and reviews

☐ Member feedback

☐ Other (Specify): \_\_\_\_\_

**31. Has the FPO received any awards or recognitions for its performance? Yes/No**

If yes, please specify: \_\_\_\_\_

**32. Adequacy of PODF Fund received**

| S. No. | Parameter                                 | Fully satisfied | Moderately Satisfied | Just | Not sufficient |
|--------|---|-----------------|----------------------|------|----------------|
| 1.     | Members Mobilization/ Awareness           |                 |                      |      |                |
| 2.     | Grant support towards remuneration of CEO |                 |                      |      |                |
| 3.     | Grant Support towards Audit/CA/CS charges |                 |                      |      |                |
| 4.     | Business plan preparation                 |                 |                      |      |                |

**33. Usefulness of BoD and CEO training to be conducted by RSA (Resource supporting Agency) as per the NABARD guidelines?**

| S. No. | Parameter                    | Not attended | Less useful | Moderately useful | Highly Useful |
|--------|------------------------------|--------------|-------------|-------------------|---------------|
| 1.     | 2 days BOD Training program  |              |             |                   |               |
| 2.     | 5 days CEOs Training program |              |             |                   |               |
| 3.     | Exposure visit               |              |             |                   |               |

**34. Usefulness of FPO members training to be conducted by the POPI as per the training mandates form NABARD? Yes/No, If Yes**

| S. No. | Parameter                               | Not attended | Less useful | Moderately useful | Highly useful |
|--------|---|--------------|-------------|-------------------|---------------|
| 1.     | Areas of Farm production & Productivity |              |             |                   |               |
| 2.     | Input/output Management                 |              |             |                   |               |
| 3.     | Book Keeping                            |              |             |                   |               |
| 4      | Regulatory Compliance                   |              |             |                   |               |
| 5      | Governance & internal Mangement         |              |             |                   |               |

**35. Other Training Programs organized by any other institutes/agencies if any**

Training underwent by CEO/BoD:

| S.No | Training Program | organiser | Year |
|------|------------------|-----------|------|
|      |                  |           |      |
|      |                  |           |      |
|      |                  |           |      |
|      |                  |           |      |

**Section E: Constraints**

**36. What are the main challenges faced by the FPO in its governance and management? (Select all that apply) (Rank on 1-5 scale): Strongly Agree (SA), Somewhat agree (SWA), Neither Agree Nor Disagree (NAND), Somewhat Disagree (SAD), Strongly Disagree (SD)**

| S.no | Statements                              | SCALE |     |      |     |    |
|------|---|-------|-----|------|-----|----|
|      |   | SA    | SWA | NAND | SAD | SD |
| 1    | Low participation of members            |       |     |      |     |    |
| 2    | Lack of Transparency in operations      |       |     |      |     |    |
| 3    | High staff turnover                     |       |     |      |     |    |
| 4    | Difficulty in hiring Professional staff |       |     |      |     |    |
| 5    | Difficult to take decision              |       |     |      |     |    |

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| <b>6</b>  | Conflict of interest between few Influential members in Board  |  |  |  |  |  |
| <b>7</b>  | Members conflict with BOD  |  |  |  |  |  |
| <b>8</b>  | Adherence to Legal requirements  |  |  |  |  |  |
| <b>9</b>  | No Regular Audit   |  |  |  |  |  |
| <b>10</b> | Limited managerial skills among FPO staff, particularly in areas like marketing, finance, and operations |  |  |  |  |  |
| <b>11</b> | Challenges in identifying and securing stable markets for produce  |  |  |  |  |  |
| <b>12</b> | Inadequate working capital for operations and procurement  |  |  |  |  |  |
| <b>13</b> | Limited access to and adoption of technology for operations, marketing, and member engagement            |  |  |  |  |  |
| <b>14</b> | Issues in working collaboration with Promoting agency  |  |  |  |  |  |

**37. What are the key financial constraints faced by the FPO?  
(Select all that apply)**

- ☐ Lack of working capital
- ☐ High cost of credit
- ☐ Access to govt. grants
- ☐ Access to banks/microfinance institutes
- ☐ Delayed disbursement of loans
- ☐ Other (Please specify): \_\_\_\_\_

**38. What are the key market-related constraints faced by the FPO? (Select all that apply)**

- ☐ Price fluctuations
- ☐ Lack of reliable buyers
- ☐ Competition from other sellers
- ☐ Other (Please specify): \_\_\_\_\_

## **Section G: Opportunities**

**39. What opportunities does the FPO see for improving its governance and management framework? (Select all that apply)**

- ☐ Training for BoD and staff
- ☐ Improved financial management systems
- ☐ Digitalization of operations
- ☐ Stronger partnerships and collaborations
- ☐ Other (Specify): \_\_\_\_\_

## **Section H: Revenue Streams**

**40. What percentage of total revenue is contributed by each revenue stream?**

- a. Sale of produce: \_\_\_\_\_%
- b. Input supply: \_\_\_\_\_%
- c. Processing/value addition: \_\_\_\_\_%
- d. Marketing services: \_\_\_\_\_%
- e. Other: \_\_\_\_\_%

**41. Does the FPO have any long-term contracts or agreements with buyers/partners?**

Yes/NO

If yes, please mention the names and duration of the agreements:

\_\_\_\_\_

## **Section I: Cost Structure**

**42. What percentage of total expenses is contributed by each cost component?**

- Procurement of produce: \_\_\_\_\_%
- Processing/storage: \_\_\_\_\_%
- Input procurement: \_\_\_\_\_%
- Logistics: \_\_\_\_\_%
- Administrative expenses: \_\_\_\_\_%
- Staff salaries: \_\_\_\_\_%
- Other: \_\_\_\_\_%

**43. Has the FPO undertaken any cost-cutting measures in the past year? Yes/No**

If yes, please describe the measures and their impact on profitability:

---

**44. Does the FPO utilized corpus fund collected through membership fee? Yes/No**

**45. Does the FPO face any challenges in managing operational costs? Yes/No**

If yes, please describe: \_\_\_\_\_

**46. USP of FPO( how your FPO is different from other FPOs)**

- ☐ Branding
- ☐ Unique products
- ☐ Direct marketing of value added production
- ☐ Retail outlets
- ☐ Innovative promotions
- ☐ Other, if any\_\_\_\_\_

## **Section J: Financial Sustainability**

**47. Has the FPO received any external grants or subsidies?**

Yes/No

If yes, please specify the source and amount: \_\_\_\_\_

**48. How does the FPO manage working capital requirements?**

- ☐ Bank loans
- ☐ Delayed Payments to Members/ Advances from members
- ☐ Extended credit period by agencies
- ☐ Other (Please specify): \_\_\_\_\_



## Section K: Long-Term Viability

**49. What are the key risks faced by the FPO in the last 3–5 years during its operation?**

| S.no     | Statements                                     | SCALE |     |      |     |    |
|----------|--|-------|-----|------|-----|----|
|          |  | SA    | SWA | NAND | SAD | SD |
| <b>1</b> | High Market risk (price fluctuations)          |       |     |      |     |    |
| <b>2</b> | Climate risk (droughts, floods, etc.)          |       |     |      |     |    |
| <b>3</b> | Input supply issues                            |       |     |      |     |    |
| <b>4</b> | Competition from other FPOs or private players |       |     |      |     |    |
| <b>5</b> | Policy/regulatory changes                      |       |     |      |     |    |

Other Please specify): (\_\_\_\_\_

**50. Did the FPO utilized equity grant provided by SFAC(of Rs. 10 Lakhs)? Yes/No**

**If yes mention amount \_\_\_\_\_ and utilization purposes:\_\_\_\_\_**

**51. What are the infrastructure development plans of FPO has?**

- ☐ No Plans
- ☐ Warehouse/ Cold storage
- ☐ Processing units
- ☐ Office building
- ☐ Transportation vehicles
- ☐ Other (Please specify):\_\_\_\_\_

## Section L: Social and Environmental Impact

**52. Does the FPO engage in any environmentally sustainable practices? (eg. Organic cultivation, cover cropping, rain water harvesting etc,)**

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**53. Has the FPO contributed to community development? (eg. Contributing to village infrastructures facilities, capacity building program etc.)**

: \_\_\_\_\_

#### **Section M: Business volume**

**54. What is the total turnover of the FPO in the last three financial years?**

- Year 2023-24: ₹ \_\_\_\_\_
- Year 2022-23: ₹ \_\_\_\_\_
- Year 2021-22: ₹ \_\_\_\_\_

**55. What is the net profit/loss for the last three financial years?**

- Year 2023-24: ₹ \_\_\_\_\_
- Year 2022-23: ₹ \_\_\_\_\_
- Year 2021-22: ₹ \_\_\_\_\_

**56. Capital Investment made by FPO**

| S.no | Year    | Amount(Rs.) |
|------|---------|-------------|
| 1    | 2023-24 |             |
| 2    | 2022-23 |             |
| 3    | 2021-22 |             |

#### **Section N: Market linkages**

**57. Does the FPO have established linkages with the following types of buyers? (Select all that apply)**

- ☐ Wholesalers
- ☐ Retailers
- ☐ Exporters
- ☐ Government procurement agencies
- ☐ Private companies (contract farming)
- ☐ Other (Please specify): \_\_\_\_\_

**58. What marketing channels does the FPO use for selling produce? (Select all that apply)**

- ☐ Direct sales to consumers
- ☐ Mandis (APMCs)
- ☐ Online platforms/e-marketplaces
- ☐ FPO-owned retail outlets
- ☐ Other (Please specify): \_\_\_\_\_

## **Section N: Operational Efficiency**

**59. What is the average time taken to aggregate and dispatch produce for sale? \_\_\_\_\_ days**

**60. Does the FPO use any digital tools for operations (e.g., accounting, inventory management, order tracking)? Yes/No**

If yes, please specify the tools/software used:

---

**61. How frequently does the FPO conduct meetings other than GBM with its members to review operations and performance?**

- ☐ Monthly
- ☐ Quarterly
- ☐ Annually
- ☐ Other (Please specify): \_\_\_\_\_

**62. How does the FPO manage logistics (transportation of produce)?**

- ☐ Own transport
- ☐ Hired transport
- ☐ Buyer-arranged transport
- ☐ Other (Please specify): \_\_\_\_\_

## **Section Q: Networking & Collaboration**

**63. Does your FPO have formal partnerships or MoUs , Networking & Collaborations? (Select all that apply):**

- ☐ Government agencies
- ☐ Corporates (e.g., buyers, input suppliers)
- ☐ Research institutions or technology providers
- ☐ NGOs or non-profits
- ☐ Others (please specify)

**64. What is the nature of these partnerships? (Select all that apply):**

- ☐ Financial partnership
- ☐ Joint marketing initiatives

- Technology and innovation support
- Capacity building and training
- Supply chain and logistics support
- Others (please specify)

**65. How frequent is the interaction with these stakeholders?**

- Weekly
- Monthly
- Quarterly
- Annually
- As needed

**Encl:**

1. Last Three years balance sheet
2. last three years Profit and loss statement



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## **Annexure-II**

**Questionnaire to Measure the Socio-Economic Impact of FPO on Member-Farmers**

**(FPO Members questionnaire)**

This questionnaire is designed to evaluate the socio-economic impact of Farmer Producer Organizations (FPOs) on member-farmers by focusing on **changes in income, livelihood improvement, access to resources, adoption of technology, and overall quality of life**

### **Section A: General Information**

#### **1.General Information**

|   |                        |  |
|---|------------------------|--|
| 1 | Name of the respondent |  |
| 2 | village                |  |
| 3 | Mandal and District    |  |
| 4 | Contact number         |  |
| 5 | Name of the FPO        |  |

#### **2. Profile characteristics of FPO members**

Give your personal details about the following questions

**1. Age**\_\_\_\_\_ (In completed years)

**2.Education:** Indicate your level of education by ticking the appropriate column

| <b>S.no</b> | <b>Category</b>    | <b>Tick</b> |
|-------------|--------------------|-------------|
| 1           | Illiterate         |             |
| 2           | Upto Intermediate  |             |
| 3           | Graduate and above |             |

#### **3. Land Holding (Acres)**

| <b>S.no</b> | <b>Type of land</b> | <b>Area (in Acres)</b> |
|-------------|---------------------|------------------------|
| 1           | Irrigated land      |                        |
| 2           | Rainfed land        |                        |
| Total:      |                     |                        |

**4. Annual family Income: (Rs/Annum):**

| Statements  | Before joining FPO | After Joining FPO |
|---|--------------------|-------------------|
| <b>Annual income</b><br>1. Agriculture and Allied sources:<br>2. Other sources:<br>Total: |                    |                   |

**5. Changes in Cropping Pattern**

| S.no | Statements  | Before                   | After                    |
|------|---|--------------------------|--------------------------|
| 1    | Two Major crops (Area in Acres)<br>a) _____<br>b) _____   | a) _____<br>b) _____     | a) _____<br>b) _____     |
| 2    | Overall Prices for produce (in Rs)<br>a) _____<br>b) _____  | a) ₹ _____<br>b) ₹ _____ | a) ₹ _____<br>b) ₹ _____ |
| 3    | Overall Input costs (in Rs)   |                          |                          |
| 4    | Production (in Quintals)  |                          |                          |
| 5    | Produce disposal Mechanism (Sale through Village merchant, Regulated market, Processing unit, Direct to consumer, |                          |                          |
| 6    | Annual Savings (in Rs)  |                          |                          |

**Section B: Changes in Income and Livelihood**

6. What are the main reasons for changes in your income? (Select all that apply)

- ☐ Better prices for produce  
☐ Reduced input costs  
☐ Increased production/yield  
☐ Access to new markets  
☐ Other (Specify): \_\_\_\_\_

7. Have you diversified your income sources after joining the FPO? Yes/No

- If yes, please specify: \_\_\_\_\_

**Section C: Access to Resources**

8. What resources have become more accessible after joining the FPO? (Select all that apply)

- ☐ Agricultural inputs (seeds, fertilizers, pesticides)  
☐ Credit/loans  
☐ Training and capacity building

- ☐ Storage facilities
- ☐ Market information
- ☐ Hiring Farm machinery
- ☐ Other (Specify): \_\_\_\_\_

8. Have you received any Govt. Schemes through the FPO? Yes/No

- If yes, how much? ₹ \_\_\_\_\_ & in Which scheme \_\_\_\_\_

9. Have you participated in any training programs or workshops organized by the FPO?  
Yes/ No

If yes, what topics were covered? ☐ Specify: \_\_\_\_\_

#### **Section D: Adoption of Technology**

10. Have you adopted any new farming technologies after joining the FPO? Yes/No

- If yes, please specify: \_\_\_\_\_

11. How has the adoption of technology Significantly impacted your farming practices?  
(Select all that apply)

- ☐ Improved yield
- ☐ Reduced input usage
- ☐ Improved pest/disease control
- ☐ Better water management
- ☐ Better access to Market information
- ☐ Other (Specify): \_\_\_\_\_

12. What type of Technology support have you received from the FPO?

#### **I) Agricultural Interventions**

- ☐ Nutrient management (Supply of Bio-fertilizers, Organic manures, Fertilizers)
- ☐ Pest management (Supply of Bio pesticides, Traps, Chemical pesticides)
- ☐ Feed Management for Animals/Fishery (Supply of Mineral mixture, Cattle feeds)
- ☐ Others (Specify) \_\_\_\_\_

#### **II) Services Availed**

- ☐ Crop Advisory
- ☐ Insurance
- ☐ Custom hiring centres
- ☐ Soil Testing
- ☐ Seeds
- ☐ Others (Specify) \_\_\_\_\_

13. What are the Mobile based Agro advisory Services received through FPO

- ☐ None
- ☐ Weather Advisories
- ☐ New Technologies (Crop production)
- ☐ New Technologies (Post harvest operations)
- ☐ Cultural Practices
- ☐ Market prices
- ☐ Others (Specify)



14. Whether you have received any Training from FPO/ other institute through FPO?  
Yes/NO,

If Yes, Specify

| S.No | Training Program | organiser | Year |
|------|------------------|-----------|------|
|      |                  |           |      |
|      |                  |           |      |
|      |                  |           |      |
|      |                  |           |      |

### Section E: Market Linkages and Pricing

15.How do you sell your produce after joining the FPO? (Select all that apply)

- ☐ Through FPO  
☐ Local markets  
☐ Direct to consumers  
☐ Other (Specify): \_\_\_\_\_

16.How have the prices of your produce changed after sale through FPO?

- ☐ Increased significantly  
☐ Increased moderately  
☐ No change  
☐ Decreased

17.Have you benefited from any formal agreements with buyers facilitated by the FPO?  
Yes/No, If yes, please specify the type of buyers: \_\_\_\_\_

### Section F: Overall Quality of Life

18.How joining the FPO has impacted your overall quality of life? (Select all that apply)

| S.no | Statements                                | SCALE |     |      |     |    |
|------|---|-------|-----|------|-----|----|
|      |   | SA    | SWA | NAND | SAD | SD |
| 1    | Improved household income                 |       |     |      |     |    |
| 2    | More Employment Opportunities (Man hours) |       |     |      |     |    |
| 3    | Better nutrition for family               |       |     |      |     |    |
| 4    | Better education for children             |       |     |      |     |    |
| 5    | More spending on health                   |       |     |      |     |    |
| 6    | Improved happiness & wellbeing            |       |     |      |     |    |
| 7    | More spending on leisure activities       |       |     |      |     |    |

**19.How has your social status in the community changed after becoming an FPO member?**

- ☐ Community membership
- ☐ Insurance
- ☐ Women empowerment

**20.Social Empowerment**

Rank on 1-5 Scale on improvement of social life after joining the FPO. Strongly Agree (SA), Somewhat agree (SWA), Neither Agree Nor Disagree (NAND), Somewhat Disagree (SAD), Strongly Disagree (SD).

| S.no | Statements                                      | SCALE |     |      |     |    |
|------|---|-------|-----|------|-----|----|
|      |   | SA    | SWA | NAND | SAD | SD |
| 1    | Increased my Participation in social activities |       |     |      |     |    |
| 2    | More Recognition in my neighborhood /society    |       |     |      |     |    |
| 3    | High sense of leadership                        |       |     |      |     |    |
| 4    | Improved my communication skills                |       |     |      |     |    |
| 5    | Felt motivated in doing social work             |       |     |      |     |    |
| 6    | Help other people in solving their problems     |       |     |      |     |    |
| 7    | Increased Cohesiveness in group                 |       |     |      |     |    |

**21. Key Challenges and Suggestions**

Rank on 1-5 Scale on challenges you face as an FPO member? (aspects (Rank on 1-5 scale): Strongly Agree (SA), Somewhat agree (SWA), Neither Agree Nor Disagree (NAND), Somewhat Disagree (SAD), Strongly Disagree (SD)

| S.no | Statements   | SCALE |     |      |     |    |
|------|--|-------|-----|------|-----|----|
|      |  | SA    | SWA | NAND | SAD | SD |
| 1    | Lack of awareness about the benefits of being an FPO member          |       |     |      |     |    |
| 2    | Limited participation in FPO meetings and events                     |       |     |      |     |    |
| 3    | Inequitable distribution of benefits among members                   |       |     |      |     |    |
| 4    | Inadequate support in accessing markets for produce                  |       |     |      |     |    |
| 5    | Lack of trust in FPO leadership or management                        |       |     |      |     |    |
| 6    | Limited training opportunities provided to members                   |       |     |      |     |    |
| 7    | Difficulty in accessing credit through the FPO                       |       |     |      |     |    |
| 8    | Poor communication from FPO management about policies and operations |       |     |      |     |    |

|           |   |  |  |  |  |  |
|-----------|---|--|--|--|--|--|
| <b>9</b>  | Low transparency in financial dealings of the FPO                     |  |  |  |  |  |
| <b>10</b> | Lack of timely updates on regulatory or market changes                |  |  |  |  |  |
| <b>11</b> | Limited knowledge of FPO processes and decision-making mechanisms     |  |  |  |  |  |
| <b>12</b> | Difficulty in accessing inputs like seeds or fertilizers from the FPO |  |  |  |  |  |
| <b>13</b> | Perceived favoritism toward certain members by the FPO                |  |  |  |  |  |
| <b>14</b> | Lack of grievance redressal mechanisms for members                    |  |  |  |  |  |
| <b>15</b> | Low level of technological support provided to members                |  |  |  |  |  |

**22. Are you informed about the following aspects of FPO operations? (Select all that apply)**

- ☐ Financial performance of the FPO
- ☐ Key decisions taken by the Board of Directors (BOD)
- ☐ Market linkages and buyer agreements
- ☐ Pricing mechanisms for produce
- ☐ Regarding Annual General body meetings
- ☐ Other (Specify): \_\_\_\_\_

**23. How satisfied are you with the level of transparency in financial matters (e.g., revenue, profits, expenses)?**

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Neutral
- ☐ Dissatisfied
- ☐ Very dissatisfied

**24. In your opinion, what are the key areas where the FPO should focus to improve its performance? (Select all that apply)**

- ☐ Better governance and decision-making
- ☐ Improved communication and transparency
- ☐ Stronger market linkages
- ☐ Timely and fair pricing/payment
- ☐ Improved input services
- ☐ Other (Specify): \_\_\_\_\_

**25. What are ways to improve participation in FPO: (Specify in 3 lines)**

a.

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b.

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c.

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