

**“ROLE OF GOVERNMENT SCHEMES IN EXTENSION OF FARMER PRODUCERS COMPANIES”**

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**Abstract:** Farmer producer companies play a significant and crucial role in growth and development of agriculture and rural community through the using of economics of scale and cost effective methods in production processing and marketing of agriculture products. Researchers have mainly focused on to examine role of equity grant scheme, credit guarantee scheme and promotion of farmer producer companies in selected investigation area at given period of time. This research study was based on analytical and exploratory research method. Researchers have only used secondary data related to equity grant scheme, credit guarantee scheme and promotion of farmer producer companies. Researchers have found that total number of registered farmer producer companies was continuously decreased in India during the period of 2015-16 to 2019-20 due to as lack of motivation and rationale for FPCs, lack of capacity building of members of FPCs, lack of coordination and cooperation among the members, various policy issues of FPCs and lack of sufficient financial support. Researchers have concluded that farmer producer companies have bright future in India and also help to improve the standard of farmers and rural community.

**Keywords:** - Farmer Producer Companies, Government Schemes

**Introduction:**

Farmer producer companies play an important and significant role in growth and development of agriculture sector through the use of economics of scale in manufacturing and marketing activities. It also helps to adopt and enhance the productivity of agriculture sector through the using of cost effective methods and also using the available resources at the optimal level in production and process. Farmer producer companies help to enhance the farmers' income, social status and their standard of living. Farmer producer companies help to enhance farmers' income, social status and their standard of living. Farmer producers have some characteristics such as collective farming, development of some ideas, strategies, products, methods and techniques, use modern-technology, enhance the productivity, institutional credit, credibility and recognition. Farmer Producer Company helps to provide various services which assists to cater needs like supply of quality of agriculture inputs, provide the value addition activities, machineries, infrastructure facilities, marketing facilities, provide export promotion guidance and credit facilities to members. Farmer Producer Company also helps to provide platform for marginal, small and medium farmers in order to pool their resources and sell their products at greater price level. Farmers who sell in bulk through farmer producer companies can negotiate better price with buyers and capture a larger share of the value chain. It also assist in decision-making process, access of credit and insurance, build-up resilience, pool-up knowledge and resources, reduce the risk of farm failure, promote, sustainable agriculture practices, access the new markets and development of farmer community.

According to Small Farmers' Agriculture Consortium report, venture capital assistance scheme helps to encourage connections with farmers for the purchase of their produce as raw materials and it creates jobs in rural area. 80.23 crore venture capital assistance was sanctioned for 316 projects in 2019-20. There were 2852 projects sanctioned of which 494 projects were sanctioned for Maharashtra state in 2019-20. Equity grant scheme helps to take initiative to support Farmers Produce Companies. It has sanctioned projects from 22 projects to 138 projects and sanctioned equity grant from 114.83 lakh to 965.19 lakh during the period of 2014-15 to 2019-20. There were 138 projects sanctioned of which 25 projects were sanctioned for Maharashtra state in 2019-20 and sanctioned 183.55 lakh equity grants for extension of Farmer Producer Companies located in Maharashtra state in 2019-20. In case of credit guarantee fund scheme, there were increased cases

from 4 cases to 62 cases and sanctioned fund from 182.90 lakh to 2150 lakh under the credit guarantee fund scheme during the period of 2014-15 to 2019-20.

## **REVIEW OF LITERATURE:**

Farmer produce companies helps to build-up prosperous and promoting the sustainable agriculture sector in India. There were also enhanced productivity of agriculture sector through the using of cost-effective methods (**Pardhi, S., and Bisen, A. 2021**). Farmer produce companies helps to empowerment of India farming community, provide range of services to their members, reaching out to vulnerable sector, create the linkages among the farmers, processors, retailer and traders (**Khan, M.A., Pratap, P., Siddique, R.A., and Gedam, P.M., 2020**). There were increasing the awareness about the government schemes and provides the various benefits to farmers producer companies located in Maharashtra state (**Rashtrapal, B.R., Mathur, A., and Beniwal, A. (2022)**). Farming is becoming an extremely difficult job and the majority of farmers are leaving and undergoing stressful circumstances. Farmers in the Osmanabad district have taken an important and significant steps towards the solving their problems by reintegrating through Farmer's produce companies (**Babu, C., and Patoju, K.S., 2021**). Farmers get additional benefits from farmers produce companies (FPCs) and also getting inputs at lower prices as well as greater profit when selling their products. Researchers have also observed that farmers encourages their children to involve in agriculture activities and cultivate a loving spirit and a passion for agriculture (**Agarwal, S., and Goyal, S.K. 2022**).

## **OBJECTIVES OF RESEARCH INVESTIGATION:**

There are given following objectives of present research investigation.....

- To study the role of equity grant scheme for farmers producer companies in India.
- To find out the role of project credit guarantee fund scheme for farmer producer companies in India.
- To examine the promotion of farmer producer companies in Maharashtra state.
- Gives suggestions for growth and development of farmer producer companies in India.

## **RESEARCH METHODOLOGY:**

This research study is based on the analytical and exploratory research method. Researcher has focused on to examine the role of government schemes for growth and development of farmer producer companies in Maharashtra state in India. Present research study was purely based on the secondary data which was collected through the various reports such as Small Farmers Agriculture Consortium (SFAC), Maharashtra State Agriculture Marketing Board (MSAMB), Farmer Producer Organization (FPO) and Agriculture Technology Management Agency (ATMA). Researcher has mainly used growth rate analysis for measuring the growth of grant sanctioned for Farmer producer companies in Maharashtra state in India.

## **RESULT AND DISCUSSION:**

In this research investigation, researchers have mainly paid their attention on the present status of farmer producer companies registered, equity grant scheme sectioned, credit guarantee scheme sectioned for farmer producer companies and present status of farmers and farmer producer companies in India during the period of 2014-15 to 2019-20.

### **PRESENT STATUS OF FARMER PRODUCER COMPANIES REGISTERED IN INDIA (2015-16 TO 2019-20).**

Here, researchers have paid their attention on the present status of farmer producer companies registered in India during the period of 2015-16 to 2019-20. Farmer producer companies are owned and controlled by the farmers which helps to producing, processing, packaging and marketing of agriculture products in selected investigation area. Registered farmer producer companies are also getting many benefits of government sponsored scheme and also get support as well as guidance

from government. Therefore, researchers have paid their attention on the present status of farmer producer companies registered in India during the period of 2015-16 to 2019-20.

<b>Table No: 01</b> <b>Present Status Of Farmer Producer Companies Registered In India (2015-16 to 2019-20)</b>		
<b>Year</b>	<b>No Of FPO Registered</b>	
2015-16	212	39.8
2016-17	145	27.2
2017-18	87	16.3
2018-19	44	8.3
2019-20	45	8.4
Total	533	100.0
<b>Source:</b> Report On Small Farmers' Agriculture Consortium, 2015-16 To 2019-20.		

Table no 1 depicts present status of farmer producer companies registered in India during the period of 2015-16 to 2019-20. Researchers have observed that number of registration of farmer producer companies were continuously declined every year since 2015-16 to 2019-20 in India. Maximum percentage of farmer producer companies were registered (39.8 percent) in 2015-16 and followed by 2016-17 (27.2 percent), 2017-18 (16.3 percent), 2018-19 (8.3 percent) and 2019-20 (8.4 percent) in India. researchers have observed that various causes of continuously declined registration of farmer producer companies such as lack of motivation and rationale for FPCs, lack of capacity building of members of FPCs, lack of coordination and cooperation among the members, various policy issues of FPCs, lack of sufficient financial support and higher level of competition in selected investigation area at given same period of time.

#### **PRESENT STATUS OF EQUITY GRANT SCHEME SANCTIONED FOR FARMER PRODUCER COMPANIES (2014-15 TO 2019-20).**

In this research investigation, researchers have mainly paid their attention on the present status of equity grant scheme Sanctioned for farmer producer companies in selected investigation area at given period of time. it helps to allow eligible farmers producer companies (FPCs) to receive a grant equal to their shareholder members equity contribution in the FPCs, thereby increasing the FPCs overall capital base. Equity grant fund also helps to infuse the cash and fund directly transfer to bank account of Food producer companies. It is playing the very important and significant role in growth and development of farmer producer companies. Therefore, researcher has focused on the trend of equity grant scheme Sanctioned for farmer producer companies in selected investigation area at given period of time.

<b>Table No: 2</b> <b>Present Status Of Equity Grant Scheme Sanctioned For Farmer Producer Companies (2014-15 To 2019-20)</b>				
<b>Year</b>	<b>No Of Cases</b>	<b>% Share</b>	<b>Equity Grant Sanctioned (Lakh)</b>	<b>% Share</b>
2014-15	22	3.7	114.83	3.1
2015-16	27	4.6	153.02	4.1
2016-17	52	8.8	290.69	7.7
2017-18	153	25.9	951.07	25.3
2018-19	199	33.7	1283.8	34.2
2019-20	138	23.4	965.19	25.7
<b>Total</b>	<b>591</b>	<b>100.0</b>	<b>3758.6</b>	<b>100.0</b>
<b>Source:</b> Report On Small Farmers' Agriculture Consortium, 2015-16				

Table no 2 indicates present status of equity grant scheme Sanctioned for farmer producer companies in selected investigation area at given period of time. Researchers have observed that number of cases of FPCs were continuously increased from 22 cases of FPCs to 138 cases of FPCs in selected investigation area at given period of time. Researchers have also observed that equity grant sanctioned for FPCs were continuously increased from 114.83 lakh to 965.19 lakh during the period of 2014-15 to 2019-20. Maximum percentage of equity grant scheme were found in 2018-19 (34.2 percent) in selected investigation area. In short, there were continuously increased the number of cases and equity grant sanctioned for farmer producer companies in selected investigation area at given period of time.

#### **PRESENT STATUS OF CREDIT GUARANTEE SCHEME SECTIONED FOR FARMER PRODUCER COMPANIES (2014-15 TO 2019-20).**

In this research investigation, researchers have focused on the present status of credit guarantee scheme sanctioned for farmer producer companies in selected investigation area during the given period of time. Credit guarantee fund scheme helps to growth and development of farmer producer companies through the providing credit guarantee cover to eligibale lending institutions (ELIs). It also helps to allow collateral-free loan by providing credit guarantee to eligible lending institutions (ELIs). Therefore, researchers have mainly paid their attention on the present status of credit guarantee scheme sanctioned for farmer producer companies in selected investigation area during the given period of time.

<b>Table No: 3</b>				
<b>Present Status Of Credit Guarantee Scheme Sanctioned For Farmer Producer Companies (2014-15 To 2019-20)</b>				
Year	No Of Cases	% Share	Credit Guarantee Scheme	% Share
2014-15	4	3.5	182.9	4.3
2015-16	8	7.1	353.11	8.4
2016-17	9	8.0	395.25	9.4
2017-18	9	8.0	507.45	12.0
2018-19	21	18.6	628.04	14.9
2019-20	62	54.9	2150.69	51.0
Total	113	100.0	4217.44	100.0
<b>Source:</b> <i>Report On Small Farmers' Agriculture Consortium, 2015-16 To 2019-20.</i>				

Table no 3 depicts present status of credit guarantee scheme sanctioned for farmer producer companies in selected investigation area during the given period of time. Researchers have observed that total number of cases were continuously increased from 4 cases to 62 cases in selected investigation area during the period of 2014-15 to 2019-20. under the scheme of credit guarantee scheme, total credit guarantee fund sanctioned for farmer producer companies were increased from 182.9 lakh to 2150 lakh in selected investigation area at given period of time. in short, total number of cases and credit guarantee fund sanctioned for farmer producer companies were continuously increased in selected investigation area at given period of time.

#### **PRESENT STATUS OF FARMERS AND FARMER PRODUCER COMPANIES IN MAHARSHTRA (2015-16 TO 2019-20).**

Here, researchers have mainly focused on the mobilised, under mobilization and total targeted farmers as well as registered, under registration and total targeted farmer producer companies under the promotion of FPCs in selected investigation area at given period of time.

Table no 4 indicates that present status of farmers and FPCs under the promotional scheme in selected investigation area during the period of 2015-16 to 2019-20. Researchers have observed that

total number of mobilized farmers under the promotion of FPCs were continuously increased from 70001 to 100845 farmers in selected investigation area during the period of 2015-16 to 2019-20. Other hand, total number of farmers under the mobilization under the promotion of FPCs were continuously decreased from 21499 farmers to 3655 farmers in selected investigation area at given period of time. Total targeted farmers under the promotion of FPCs were also increased from 91500 farmers to 104500 farmers in selected investigation area at given period of time.

<b>Table No: 4</b>							
<b>Present Status Of Promotion Of Farmer Producer Companies In Maharashtra State (2015-16 To 2019-20)</b>							
	<b>Content</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Total</b>
<b>No of Farmers</b>	Mobilized	70001	79691	88348	96622	100845	435507
	<b>% Share</b>	<b>16.1</b>	<b>18.3</b>	<b>20.3</b>	<b>22.2</b>	<b>23.2</b>	<b>100.0</b>
	Under Mobilization	21499	11809	3152	7878	3655	47993
	<b>% Share</b>	<b>44.8</b>	<b>24.6</b>	<b>6.6</b>	<b>16.4</b>	<b>7.6</b>	<b>100.0</b>
	Total Targeted Farmers	91500	91500	91500	104500	104500	483500
	<b>% Share</b>	<b>18.9</b>	<b>18.9</b>	<b>18.9</b>	<b>21.6</b>	<b>21.6</b>	<b>100.0</b>
<b>No of FPCs</b>	Registered FPCs	63	71	85	99	101	419
	<b>% Share</b>	<b>15.0</b>	<b>16.9</b>	<b>20.3</b>	<b>23.6</b>	<b>24.1</b>	<b>100.0</b>
	Under Process Of Registration FPCs	29	21	7	6	4	67
	<b>% Share</b>	<b>43.3</b>	<b>31.3</b>	<b>10.4</b>	<b>9.0</b>	<b>6.0</b>	<b>100.0</b>
	Total Targeted FPCs	92	92	92	105	105	486
	<b>% Share</b>	<b>18.9</b>	<b>18.9</b>	<b>18.9</b>	<b>21.6</b>	<b>21.6</b>	<b>100.0</b>
<b>Source: Report On Small Farmers' Agriculture Consortium, 2015-16 To 2019-20.</b>							

In case of Farmer producer companies. Total number registered FPCs under the promotion of FPCs were continuously increased from 63 FPCs to 101 FPCs in selected investigation area at given period of time. Total number of FPCs under the process of registration were continuously decreased from 29 FPCs to 4 FPCs in selected investigation area at given period of time. Total targeted FPCs under the promotion of FPCs were continuously increased from 92 FPCs to 105 FPCs in selected investigation area at given period of time. In short, total number of mobilized farmers and registered FPCs were continuously increased in selected investigation area at given period of time.

#### **FINDINGS:**

- This research investigation has found that total number of registered farmer producer companies were continuously decreased in India during the period of 2015-16 to 2019-20 due to as lack of motivation and rationale for FPCs, lack of capacity building of members of FPCs, lack of coordination and cooperation among the members, various policy issues of FPCs and lack of sufficient financial support.
- Researchers have found that total number of cases and equity grant sanctioned for farmer producer companies were continuously increased in selected investigation area at given period of time.



- Researchers have also found that total number of cases and credit guarantee fund sanctioned for farmer producer companies were also continuously increased in selected investigation area at given period of time. It has brought positive changes in farmer producer companies and rural community in India.
- Researchers have also found total number of mobilized farmers and registered FPCs were continuously increased in selected investigation area at given period of time.

## **CONCLUSION:**

Researchers have also concluded that government sponsored scheme has made positive growth and development in farmers and farmer producer companies in selected investigation area at given period of time. It also helps to create awareness about the government schemes and their benefits for the growth and development of FPCs. Farmer producer companies assists in gaining more profit because the return will also improve the individual's livelihood. Researchers have concluded that farmer producer companies have bright future in India. It helps to increasing the standard of living of farmers and rural community in selected investigation area at given period of time. Researchers have concluded that there is requirement of new advanced technology in order to value addition to agriculture product through the packaging and processing. It also helps to increase the value of agriculture products.

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