

Farmer Producer Organization (FPO) - Horticulture

The programme aims at “Lowering the cost of production and opening up avenues for direct market linkages for higher returns to the farmers”

Background:

Horticulture sector as in rest of the India is an unorganized sector in Karnataka also. Small size land holdings, low bargaining power to access financial and non-financial inputs, services and appropriate technologies, higher transaction costs are among the major challenges. Few of the farmers with the contract farming have also faced various other challenges viz., low productivity, quality and no value addition made tough for better earnings inspite of their total involvement. These challenges with the small farmers with fragmentation of holdings due to generational transfer were likely to abate.

FPOs offer a form of aggregation irrespective of land titles with individual producers and uses the strength of collective planning for production, procurement and marketing to add value to members’ produce. FPOs makes a strong case for policy support to member based farmer bodies, to significantly increase their power in the market place, reduce risks and help them move up the horticulture value chain.

Intervention:

An effort is being made to organize the farmers into the groups under various programmes of the Department of Horticulture from 2012-13 onwards. Since then the farmers have been mobilized to work in groups from seed to marketing, adopting Good Management Practices (GMP) from production upto post harvest management.

In the context of 2014 being declared as “**Year of Farmer Producer Organizations (FPOs)**” by the Ministry of Agriculture, Government of India, greater attention was given to these emerging bodies.

The Department of Horticulture, Government of Karnataka under various programmes viz., RKVY, NHM and Sujala III, has initiated formation of FPO during the year 2014-15 with the support of FPO nodal agency Small Farmers Agribusiness Consortium (SFAC), New Delhi by mobilizing the Farmer Clusters already formed by the Department and other farmers into the larger groups of 1000 members to form a Farmer Producer Company under Companies Act 2013.

Presently, 92 FPOs are registered under Companies Act 2013. These FPOs have covered about 86000 farmers majority of which are small and marginal farmers and economically backward class. The resource institute, FPO CEOs and BODs conduct regular meetings at FIG level to discuss on the challenges faced by them. Suggestions are offered on integrated pest and nutrient management practices, farm mechanization etc., for adoption of sustainable practices and money-saving solutions.

The idea was to get farmers act collectively and obtain group discounts on the purchase of horticultural inputs and, thus, eventually get a better price for the sale of their produce. FPOs have enabled farmers to exercise more control over their input requirement and output marketing. Department of Horticulture with the help of RIs facilitated seed, fertilizer, pesticide and APMC trade licenses. Thus, FPOs have established backward input linkages by stocking the entire range of inputs — including seeds, fertilizers, bio-pesticides, pesticides and farm equipments for its members. Both the member and non-member farmers have received numerous benefits from this intervention which included easy accessibility to quality agricultural inputs without the fear of spurious products and assured availability of the inputs throughout the season. In addition, it ensured affordable and fair prices that led to farmers saving 5-10% on the input costs alone, as well as reduced the amount of time spent to get these inputs, since they are now available in the village itself. Savings in input and labour cost reduces the cost of production by nearly 20 %, thereby the farmers can get more profit to the produce they grow.

After realizing the need to support farmers after FPO registration, the Department of Horticulture during 2015-16 started facilitating FPOs by giving revolving fund of Rs. 15.00 lakhs and 90 per cent subsidy support (maximum of Rs. 22.50 lakhs) to establish custom hiring centers (CHC). All 92 FPOs have been supported with revolving fund and also to establish CHCs.

Outcome:

Through FPO, farmers are collectivized, sharing their farming experiences with each other. Production cost has been lowered due to low cost inputs available in FPO where they can access easily. Encouraging establishment of custom hiring centers by FPOs which offer machinery at affordable rates has improved the productivity and reduced the drudgery of farm labour. CHC provides access to costly farm machinery for small and marginal farmers, facilitates timeliness in farm operations and efficient use of inputs. Overall, the production cost has been reduced, which in turn adds on to the profit. Now the individual farmer's produce has been collected and marketed through FPO for better price, thereby reducing the burden of marketing on farmers.

FPO wise profit obtained from input, output sales and CHC (as per the data given by concerned FPOs)

Slno	District	Taluk	FPO Name	Net Profit
1	Hassan	Hassan	Channambika	4355557
2	Shimoga	Sagara	Malenadu HFPC Ltd.	2002028
3	Bangalore (U)	Anekal	Anekal HFPC Ltd.	1732097
4	Bangalore (R)	Rajghatta	Rajagatta HFPC Ltd	1542214
5	Hassan	Belur	Yagachi HFPC	1422595
6	Davanagere	Davanagere	Devanagari HFPC	1412275
7	D.K.	Bantwal	Pingara HFPC Ltd.	1374881
8	Bagalkote	Jamkhandi	Jamkhandi HFPC	1369871
9	Shimoga	Shimoga	Shimoga Thungabhadra HFPC	1351609
10	Mysore	Hunsur	Hussainpura HFPC Ltd.	1318633
11	Madikeri	Madikeri	Bhagandeshwara HFPC	1266086
12	D.K.	Belthangadi	Navachethana HFPC Ltd.	1255654
13	Ramanagar	Magadi	Srigiripura HFPC Ltd..	1233887
14	Bagalkote	Bagalkote	Kaladgi HFPC	1209509
15	Chikballapura	Chintamani	Sri Amaranarayana HFPC Ltd	1190698
16	Kolar	Mulbagal	Sri vinayaka HFPC Ltd..	1176621
17	Tumkur	Sira	Gadinadu HFPC Ltd	1139236
18	Davanagere	Honnali	Tirtharameswara	1094227
19	Chikballapura	Sidhalghatta	Sadamma HFPC Ltd	975357
20	Davanagere	Channagiri	Shanthisagar HFPC	971797
21	Raichur	Raichur	Parisara Premi HFPC	941261
22	Haveri	Haveri	Bhoothayi HFPC	834628
23	Bangalore (R)	Hosakote	Sri venu gopalswamy HFPC Ltd	808726
24	Bijapur	Sindagi	Sindagi HFPC	799715
25	Chitradurga	Hosadurga	Shri Ramalingeshwar HFPC Ltd.	771743
26	Bangalore (R)	Tubugere	Tubugere HFPC Ltd	751524
27	Chitradurga	Chitradurga	Sri Sirigere HFPC Ltd.	737469
28	Chikkaballapur	Bagepalli	Cheluru	731985
29	Mandya	Malavalli	Malavalli HFPC Ltd.	706900

Sno	District	Taluk	FPO Name	Net Profit
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30	Gulbarga	Aland	Negilayogi HFPC	706900
31	Kolar	Mulbagal	Moodalagiri	657176
32	Dharwad	Dharwad	Kayakayogi HFPC	646073
33	Belgaum	Belagavi	Siddeshwar HFPCL	627459
34	Chickmagalur	Lakya	Chandradrona India FPC	620550
35	Tumkur	Chiknayakanahalli	Godkere	589574
36	Belgaum	Chikkodi	Nippani HFPCL	580010
37	Davanagere	Jagalur	Kondakuri HFPC	579752
38	Chitradurga	Holalkere	Hombelaku	545959
39	Belgaum	Gokak	Vivekanand	529811
40	Tumkur	Gubbi	Hemavathi HFPC Ltd	526693
41	Kolar	Srinivaspura	Shree Kodandaramaswamy	526169
42	Belgaum	Hukkeri	Yamakanamaradi HFPCL	519117
43	Ramanagar	Kanakapura	Sangama HFPC Ltd.	503950
44	Hassan	Channarayapatna	Shri Manjunatheshwara HFPC	497511
45	Mysore	Varuna	Varuna HFPC Ltd.	485233
46	Chickmagalur	Ajjampura	Sri Guru Sidharameshwara HFPCL	468888
47	Vijayapur	Basawanbagewadi	Basawanbagewadi	459800
48	Ramanagar	Channapatna	Gombeyanadu HFPC Ltd..	444450
49	Vijayapur	Vijayapur	Bijapur	442339
50	Koppal	Koppal	Abhinavashree HFPC	431197
51	Kolar	Malur	Masti venkatesh iyengar HFPCL	428329
52	Gulbarga	Kamalapur	Grameena	396961
53	Koppal	Kushtagi	Kapilateertha HFPC	379453
54	U.K.	Sirsi	Shree Madhukeshwara HFPCL	379112
55	Tumkur	Tumkur	Hebburu	375034
56	Davanagere	Davanagere	Vishwabandhu	373555
57	Davanagere	Harapanahalli	Sri Uthsavamba	363567
58	Ramanagar	Channapatna	Kengal	361751
59	Haveri	Hirekrur	Kumadwati	328474
60	Bellary	Hospet	Thungabadra HFPC	324496
61	Gadag	Gadag	Puttarajagavayi HFPC	298992

Sno	District	Taluk	FPO Name	Net Profit
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62	Shimoga	Shikaripura	Sharavathi	258195
63	Chamarajanagar	Chamarajanagara	Udigala HFPC Ltd.	257125
64	Kolar	Kolar	Holur	230469
65	Bijapur	Indi	Shanteshwara HFPC	224720
66	Belgaum	Athani	Telsang	218618
67	Ramanagar	Ramnagar	Arkavathy	218221
68	Haveri	Byadagi	Byadagi	207487
69	Udupi	Karkala	Karkala HFPC Ltd.	205650
70	Mysore	Nanjangud	Nanjangud HFPC Ltd.	199918
71	Dharwad	Kalghatgi	Dummawad	195221
72	Mandya	Maddur	Honnalagere	177257
73	Chamarajanagar	Gundlupete	Gundlupete HFPC Ltd.	162969
74	Dharwad	Hubli	Uluvayogi HFPC	153486
75	Bellary	H B Halli	Anjanadri	151700
76	Bagalkote	Hungund	Hungund	151566
77	Chitradurga	Hiriyur	Vanivilasa	148891
78	Haveri	Hangal	Kumareshwara HFPC	146493
79	Bidar	Humnabad	Kayakalpa HFPC	126994
80	Tumkur	Pavagada	Pavagada HFPC Ltd	115920
81	Yadgiri	Yadgiri	Dayasagar HFPC	76800
82	Mandya	Nagamangala	Honnakere Hobli HFPC Ltd.	62968
83	Chamarajnar	Kollegala	Kollegala	62150
84	Mysore	HD Kote	Hampapura	56876
85	Gulbarga	Afzalpur	Sangamnath	48955
86	Bangalore (R)	Devanahalli	Gangammadevi HFPC Ltd.	46281
87	Mysore	K R NAGAR	Arkeshwara Swamy	38432
88	Yadagiri	Shahapur	Revanasiddeshwara	37477
89	Koppal	Yelburga	Yelburga	27848
90	Raichur	Lingasur	Lingasur	16000
91	Chickmagalur	Tarikere	Veeranjaneya	14460
92	Bidar	Bidar	Bidar	0
GRAND TOTAL				5,59,16,263

1. Supporting Quotes and Images:

(A) Agri/Horticulture input shops opened by FPOs after receiving the licenses from concerned authority to distribute the inputs for their members at lesser price.



(B) INM and IPM training and demonstration to FPO Members



(C) FPO Custom Hiring Centers (CHC)



(D) Output Marketing



