

## **FPOs: Goa's Way Ahead**

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FPO stands for Farmers Producers Organization. This group of farmer-producers offers small farmers end-to-end assistance with practically every facet of farming, from inputs and technical services to processing and selling. Seed, market connections, fertilizer, equipment, training, financing, networking, and technical assistance are among the FPOs' main activities. Increasing producers' income through their own organization is the primary goal of FPOs.

FPOs are crucial in connecting farmers' producers with consumers or agri-food markets. Particularly during the COVID-19 lockdown, these FPOs have adjusted to the changing circumstances by concentrating on food safety and product distinctiveness. Through FPO, small and marginal farmers and other small producers can collaborate to create their own professionally managed firm. FPO helps to improve agricultural production, productivity, and profitability by enabling small farmers to engage in the market more successfully.

Small holdings are another characteristic of the State of Goa; small and marginal farmers possess more than 88% of the cultivated land. Therefore, in order to bring about economies of scale, the FPO concept is highly relevant to the State. In its most recent budget, the Goa government announced the creation of organic farmer organizations that can be federated into FPOs if their food receives the necessary certification backing. The Goa government intends to establish Farmer Producer Organizations (FPOs) to increase the viability of agriculture for the sector's sustainable development, according to the Economic Survey Report 2019–20 that was presented to the State Assembly. Compatible farmers, self-help organizations, and farmers clubs will be included in the State Government's plans to establish FPOs, and they will receive the necessary training. Making agriculture more viable for improved cultivation economics and produce marketing with a branding concept (Brand Goa) is the state's top objective.

The primary agricultural products in the state include Paddy, Cashew, Arecanut, and Coconut, making the formation of Farmers' Producer Organizations (FPOs) a viable option worth investigating. The Agricultural Technology Management Agency (ATMA) – North Goa has revitalized the FPC in the North Goa District, which now operates as the Krishi Samruddhi FPC Ltd. This FPC primarily engages in procuring Paddy from local farmers and its members. The procured Paddy is then sent to rice mills in either Karnataka or Kerala, and the processed rice is returned and sold in Goa by the FPC. They are also involved in the sale of vegetables. New Farmer Producer Organizations (FPOs) are planned to be established under the Government of India's initiative for the promotion and establishment of FPOs starting in 2020. Following preliminary discussions, the main activities identified for the formation of FPOs include the processing of Khola chillies (which is a Geographical Indication tagged product), the processing of Jackfruit, and the establishment of an FPO for nursery growers. In terms of related sectors, Animal

Husbandry (specifically Dairy) and Fishery present opportunities for members to form federated FPOs.

FPOs serve as a key driver in transforming the financial circumstances of farmers. The two most significant challenges faced by farmers are reducing cultivation expenses and securing a favorable market price for their products. Lowering cultivation costs proves challenging, as farmers allocate a substantial portion of their budget to purchases, while they lack control over market pricing. These two areas are where FPOs contribute on a broader scale by facilitating improved input supplies through bulk buying; for example, seeds and fertilizers become more affordable when procured in larger quantities. Additionally, they play an essential role in enabling access to markets.

Besides the two issues previously discussed, we observed that farmers tend to lack individual risk-taking behavior. The cooperative model of FPOs has strict guidelines and assists farmers, particularly those with limited literacy, to collaborate effectively. Enhancing the farming economy is only possible through increased engagement and oversight of the value chain. FPOs will contribute to the fortification of value chains and the generation of additional employment opportunities.

FPOs can benefit farmers only when the produce is marketed at fair prices, when they assist in primary processing, and when they help generate some liquidity for upcoming crops. The income from farming can only be enhanced if these elements are addressed. Farmers typically incur losses when they sell immediately after the harvest, as prices tend to be at their lowest during that time. In such instances, an FPO can provide farmers with liquidity by facilitating sales at better prices. The group of farmers forming the FPO should be able to access working capital as soon as they establish market connections. Therefore, a robust marketing advisory like FPOs is crucial for strengthening the capabilities of Goan farmers as a collective.