Current challenges and solutions for sustainability of Farmers Producer Organisations through grassroots organisational ecosystem

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India's agricultural landscape is largely dominated by marginal and small farmers, who constitute approximately 67% and 18% of the total farming community respectively. This translates to a staggering 92 million marginal farmers with less than 0.40 hectares of land and 24 million small farmers with an average landholding of 1.42 hectares. Despite their higher productivity compared to large farmers, these smallholders face significant resource constraints and market challenges. While the formation of Farmers Producer Organisations (FPOs) has partially addressed these issues, newly established FPOs continue to encounter significant sustainability challenges. These include limited volumes, low capital, low member engagement and a subsidy-oriented rather than market-oriented approach. The present article identifies critical challenges such as limited capital, low member engagement and a predominant subsidy orientation. Currently, over 8875 FPOs are registered nationwide, but only 16–30% are sustainable. A significant issue is the inability of the majority of FPOs to raise more sizable amount of paid-up capital, highlighting the urgent need for a robust grassroots organisational ecosystem. This study proposes an eight-component ecosystem model for FPO sustainability, encompassing market, policy, infrastructure, services, inputs, HRD, finance and innovation. This model aims to create a comprehensive support structure for FPOs, facilitating better market access, financial resources, member participation and innovative practices. The implementation of this model, along with suggestive measures for strengthening FPOs, is crucial for their long-term viability in India's evolving agricultural sector.

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IN the changing global scenario, collectivisation in agriculture plays a pivotal role among the smallholders in countries like India. The contribution of agriculture to the Indian economy catapults the gross domestic product (GDP) up to one-sixth, and this sector employs 56% of Indian workforce[1]. Agriculture in India not only fuels economic growth but also plays a crucial role in reducing poverty, food insecurity and malnutrition, while promoting gender equality by creating local employment opportunities and resources that contribute towards achieving the Sustainable Development Goals. In this regard, the significance of smallholdings agriculture cannot be overstated. India is primarily comprised of small and marginal farm holdings, which account for 86.1% of total farm holdings, and the future of Indian agriculture is dependent on them. Around 92 million farmers, which make up 67% of the total farming community, possess marginal landholdings of less than 0.40 hectares. An additional 24 million farmers, constituting 18%, are smallholders with an average landholding of 1.42 hectares[1]. The number of operational holdings has risen from 71.01 million in 1970–71 to 138.35 million in 2011, indicating an almost two-fold increase in land fragmentation over a span of forty years. Hence, the role of smallholdings agriculture in improving agricultural growth, food security and livelihoods in the country is vital (Figure 1).

The vital role of small farms in development and poverty reduction is widely acknowledged[2]. These farms are crucial in promoting agricultural development and reducing