Blog 34: July 2014

Producer Organisations and Extension: Performance and Sustainability

Producer Organisations often need continuous hand holding support to emerge as viable and effective organizations and quite often this kind of support is not available, argues Dr Utpal Barman

Introduction

Producer organisations (POs) are widely heralded as leading contributors to poverty reduction and achievement of food security (FAO, 2010). POs can successfully strengthen the economic position of their members by providing agricultural inputs, credit, processing and marketing services (Narayanan and Gulati, 2002), In India, the Central Government has identified farmer producer organisation as the most appropriate institutional form around which to mobilize farmers and build their capacity to collectively leverage their production and marketing strength (GoI, 2013) . While several POs are doing well, a large number of POs struggle to continue their activities after the first few years of its formation.

Context

The economy of Assam state, India is predominantly based on agriculture. Its agriculture is characterised by large number of marginal and small farmers, fragmented land holdings, low level of adoption of technologies, low productivity, dependency on monsoon rainfall, etc. These hinder improvement of agriculture. To address these issues, the Government of Assam decided to mobilize farmers in the form of Field Management Committee (*Pathar Parichalana Samitee* in Assamese).

MANOJ CHAUHAN

Box 1: FMCs

Field Management Committee (FMC) is a producer organization meant for effective management of agriculture in a specific crop field. It is formed in a contiguous field where large numbers of farmers of a village or of a locality have their land or cultivation. A farmer can be member of more than one FMC, but he/she will be eligible to be a member of only one executive body. It came into operation by a resolution on settlement of agricultural land and reorganisation by the Government of Assam in 1951. FMC is a non-government organisation (NGO) registered by the District Agricultural Officer, Department of Agriculture, Assam. The Agricultural Development Officer (ADO) and Village Level Extension Worker (VLEW) of the concerned area are the technical advisers of the FMC.

Considering its numbers, membership and nature of activities, the FMC is a giant and unique organisation in the country. It earned the recognition as a village intermediary and a project delivery instrument. Actually, the FMC is a bold step in reaching out to the farmers (target groups). By 2011, the Department of Agriculture, Government of Assam has organized about 1.8 million farmers in 25,938 FMCs (Govt. of Assam, 2012).

Box 2: Objectives of FMC

The basic objective of the FMC is to organise farmers of a contiguous field to bring about development of agriculture and allied activities through collective planning and implementation of programmes. Its specific objectives include:

- Preservations of seeds and seedlings for emergency situation and to take up suitable cropping programmes in areas affected by flood and other natural calamities.
- To develop field by taking up soil conservation & land development wherever necessary and to adopt irrigation and water management measures for higher production.
- To take up crop cultivation, plant protection and post harvest measures collectively by the members of the FMC and popularise use of improved agricultural inputs, organise seed production programme.
- Continuous programme in the field by adopting crop rotation system to raise 2 to 3 crops a year.
- Arrange to protect crop from stray cattle to venture in fodder cultivation.
- To open sales counter for agricultural inputs and to have a common stock of agricultural machineries and implements for use.
- To arrange to get the farmers and farm women trained on modern methods of agriculture through both institutional and peripatetic training.
- To train educated unemployed youth on operation and maintenance of agricultural machineries etc.
- To provide suitable warehouse facilities for the produce.
- To maintain liaison with the Department of Agriculture, Agricultural Universities, Research Stations and other Department.
- To keep basic information/statistics of the FMC and to review its progress.
- To enthuse the members to take up other agricultural activities like animal husbandry including poultry, piggery, duckery, fisheries, beekeeping, social forestry, sericulture, weaving etc

The World Bank aided project ARIASP (Assam Rural Infrastructure and Agricultural Services Project) recognized and used the FMC platform to implement several projects. The financial institution like National Bank for Agricultural and Rural Development (NABARD) and North Eastern Development

Finance Institution (NEDFi) have treated it as the vehicle for grass root level project implementation. Council for Advancement of Peoples' Action and Rural Technology (CAPART), Indian Tea Board, Regional Rural Bank and others have also effectively collaborated with the FMC in various schemes (Barah, 2006).

Performance

Through FMC, farmers have benefitted by way of access to new and improved machinery (power tillers and other implements for farm mechanization), collective labour sharing and development of marketing facility for agricultural produce. There has been increase in cropping intensity and productivity in different areas and many farmers adopted modern technologies and diversified their farming activities.

A K BHATTACHARYYA

However, the history of FMCs indicates that sustainability is an issue from very beginning. During the period 1951-63, over 10,000 FMCs were formed. These FMCs functioned up to the expectations only for a short period. FMCs were reorganised during the 1970s for the benefit of farmers. However, this time also FMCs did not perform well after the initial years.

In 2001-02, a capacity building programme for FMCs was under taken by ARIASP and the Department of Agriculture, Assam with the help of National Institute of Agricultural Extension Management (MANAGE), Hyderabad and Extension Education Institute (EEI), AAU, Jorhat. The project covered different aspects of organisational development and trained the FMC members. Significant improvements were recorded on the status of FMC in terms of 17 parameters in the initial years, but again with time the performance diminished. The parameters were leadership, group action, organizational aspects, records and accounts, repair and maintenance of implements, arranging shallow tube wells and other Government Subsidies, capital formation, communication between executive committee and general members, adoption of modern technology, service to members by executive committee, solving stray cattle problem, social welfare actions, SHG formation, registration of FMC, establishment of office, community marketing etc (Neog, 2004).

However, by 2012, almost 95 per cent FMCs were defunct. Therefore, it is important to analyze the reasons for their lack of sustainability. Though FMCs are old and big, there are only very few studies that have explored this topic. Based on reviews of official documents and research studies; interactions with extension personnel, members and non-members of FMCs and through my own observations, I have arrived at the following conclusions.

Reason of poor sustainability of FMC

From field based to village based:

Though FMC is a field-based producer organisation, in practice it has evolved as a village-based organisation of a particular group meant for agricultural development. In reality all cultivators of the selected field are not the members of the FMC. For instance, some of the cultivators are staying in different villages. Though they are eligible to become members of FMC (in the village they are cultivating) the members of that village who were in majority didn't allow them to become members. Therefore the land remains fragmented and the FMC didn't receive cooperation from these potential members. In such situations, the FMC could not take collective decision on proper use of the field. As a result aspects related to farm mechanisation, intensification, irrigation, land development, soil conservation, collective purchase of inputs, storage of farm produce etc., remained untouched. Only few FMCs took collective action for preservation of seeds and/or seedlings to take up suitable cropping programmes in area affected by flood and other natural calamities. Because of these factors, most of the small and marginal farmers having fragmented land lost faith in the FMC and slowly withdrew from the FMCs.

Demarcating the field

A K BHATTACHARYYA

Though the field of FMC should be properly earmarked (not necessarily a fenced one), in practice the FMCs did not demarcate the field from fields of other farmers. People could not recognise the field as a field of a particular FMC. Most of the areas of Assam are still under mono cropping and winter paddy is the main crop. Therefore, after harvesting of winter crop generally farmers practiced open grazing system as there is a shortage of fodder for livestock. Under such conditions, the interested farmers cannot raise second crop. The cost of fencing is also a problem. Therefore, the cropping intensity is also low. However, the farmers can solve this type of problem by cultivating the second crop collectively. Even they can bear the cost of fencing and alternatively cultivate fodder crops. Inability to demarcate the area of operation of the FMC has been another reason for poor sustainability of the FMCs.

Member contribution

The members of the FMC are expected to deposit a monthly contribution as fixed by the FMC. However, in most cases the members did not deposit the contribution regularly. Nevertheless, whenever there is some subsidy-oriented schemes, the members quickly deposited the required amount to get the subsidised inputs. In all other times, they remained inactive as members of the FMC.

In such situations, the active members also could not do much through the FMC. Hardly any FMC in practice gave due importance to farm women though they are also equally involved in agricultural activities. Likewise little or no effort was given to organise training for farmers, farmwomen or unemployed rural youth.

MANOJ CHAUHAN

Distribution of inputs without support and services

Most of the FMC received agricultural machineries, tractor, power tillers, pump set etc. from the Department of Agriculture. However, in the villages mechanics to repair these machines were often not available. Though FMC members were interested to contribute to procure subsidised machineries, they were not interested to contribute for its maintenance. Moreover, the FMCs in most cases did not formulate any mechanism to fund these initiatives. In some other cases, some interested farmers maintained some machineries at their own cost and they kept it with them for use. Finally due to inactiveness of the members and/or executive body of the FMC, most of these machineries are not traceable now.

Governance of FMC

Though the executive body of FMC should be formed at regular intervals, the FMCs in most cases is managed by the same group of people. The executive body meeting of FMCs were also not held regularly. Members in general are not concerned as very few attend these meetings. In practice, FMC president/secretary generally convened a meeting when some government schemes are offered to them. In the meeting, they discussed mainly that issue only. The members generally did not review the progress of implementation of the decisions taken by the FMC. From the very beginning, most of the FMCs heavily depended on the staff of the Department of Agriculture, who could not help them or solve their problem.

Forming groups without mobilisation

FMC emphasises the role of farmers and their active participation in programme planning and resource allocation. It assumes that farmers will be able to understand their situation and to act on it. However, success of this group approach depends on sufficient mobilisation at the grassroots level. However, most of the groups were formed by extension staff (Agricultural Development Officer/Village Level Extension Workers) without investing sufficient time and effort in mobilising the farmers. As a result, farmers did not realise the importance of FMC and they did not involve actively in FMC activities.

In practice, the FMCs faced several challenges related to leadership, group dynamics, organisational development, conflict management, planning, decision-making, accounting, record keeping, resource management etc. However, there was little or no regular programme on capacity building of FMC members on these aspects. The extension personnel were also not well equipped on such topics to help the FMC members. They mainly acted, as technical advisers on agriculture. These types of unresolved issues finally affected the sustainability of FMCs.

A K BHATTACHARYYA

Lack of capacities within extension

Extension personnel should act as facilitators of FMC and not as technical experts. As a facilitator, extension personnel should ensure that the FMC work as a constructive, collaborative, creative and cohesive unit. As facilitator, they should have been more concerned with helping farmers to gain confidence, to organise them and to get them involved in agricultural development initiatives. To perform these roles, the extension personnel should act as an enabler, supporter, team builder, problem solver, conflict manager, motivator, counsellor etc. These roles are completely different from the role of an expert. However, no effort was made to develop their skills among extension staff and therefore, they couldn't perform these roles effectively.

Lack of clarity on registration and access to funds

As per rule, the FMC, though an NGO, is a producer organisation formed under Department of Agriculture, Government of Assam. District Agriculture Office registers the FMCs. After the registration, the FMC become illegible to get various services of the Department of Agriculture and other government organisations. It also acted as an extension wing of the Department of Agriculture. However, in the mean time a state level NGO named as *Sodou Asom Pathar Parichalana Samity* (SAPPS) was formed in 1993. It also has similar types of objectives to form FMC just like the Department of Agriculture. However, they are not working in collaboration with the Department of Agriculture and there are no fixed sources of funding for running their activities. It has its own rules and regulations. Initially, the SAPPS showed some progress. To get the benefits from SAPPS, a FMC must register with it. However, these registrations have no value to the Department of Agriculture because they provide services to those FMCs, which are registered by the District Agriculture Office. The parallel activity created confusion among farmers and they registered their organization with both agencies and this dual registration created problems. Currently SAPPS lack sufficient funds to support FMCs formed all over the state. The Department of Agriculture consider the FMCs formed by them only as an extension wing of the Department of Agriculture have difficulty in recognizing FMCs formed by others and this has created confusion among farmers resulting in weakening of the FMCs.

Conclusions

The Government of Assam has started reorganization of FMCs once again. Hopefully they will analyze the reasons for the poor performance of FMCs so far. Capacity building of extension personnel to play the role of facilitator should be of high priority. Extension personnel should follow proper steps to form FMC. They should analyse the past record of earlier FMCs as many of those ex-members will come to form FMCs again. The Agricultural Department should not give target to extension personnel to form FMCs. Proper mechanism should be established to monitor the performance of FMCs on regular basis. Emphasis should be given for convergence of FMCs at different levels. If needed an in-depth analysis of services provided by SAPPS and the Department of Agriculture to FMCs should be undertaken. For sustainability of group efforts, there should be proper planning of FMC activities. The extension personnel should involve the members to prepare their activity calendar. This will help the members to stick to the activities of FMCs.

Reference

Barah, B. C. (2006). Institutional Innovation: A Driver for Rural Prosperity- A study of Field Management Committees (FMC) in Assam. National Centre for Agricultural Economics and Policy Research, Pusa, New Delhi-110 012

Govt. of Assam (2012). Rules and regulation of formation of FMC (Internal official document in Assamese), Department of Agriculture.

FAO (2010). *Producer organizations: Reclaiming opportunities for development*. FAO Regional Office for Africa . http://www.fao.org/docrep/013/am072e/am072e00.pdf (accessed on 8th June, 2014).

GoI (2013). Policy and process guidelines for farmer producer organisations. Dept. of Agriculture and Cooperation, Ministry of Agriculture, Government of India. http://agritech.tnau.ac.in/pdf/fpo_policy.pdf (accessed on 10th January, 2014).

Narayanan, S. and A. Gulati (2002). Globalization and the smallholders: a review of issues, approaches, and implications. MSSD Discussion Paper 50, Washington, DC: IFPRI. http://www.ifpri.org/sites/default/files/pubs/divs/mtid/dp/papers/mssdp50.pdf (accessed on 6th July, 2013).

Neog, P.K. (2004). An appraisal of capacity building of FMCs in Assam (ed). Extension Education Institute, Assam Agricultural University, Jorhat, Assam, India.

(Dr Utpal Barman is Associate Professor at the Department of Extension Education, Assam Agricultural University, Jorhat, India. The author can be contacted at barman.utpal@gmail.com)