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**Shweta Karadipatil**  
Department of Agricultural  
Extension Education, University  
of Agricultural Sciences,  
Raichur, Karnataka, India

**Dr. DM Chanadargi**  
Director of Extension,  
University of Agricultural  
Sciences, Raichur, Karnataka,  
India

**Dr. SB Goudappa**  
Dean Student Welfare,  
University of Agriculture  
Sciences, Raichur, Karnataka,  
India

**Dr. Basavaraj Hulagur**  
Assistant Professor, University  
of Agriculture Sciences, Raichur,  
Karnataka, India

**Dr. DG Satihal**  
Senior Farm Superintendent and  
Head, ARS Bheemarayangudi,  
UAS, Raichur, Karnataka, India

**Dr. Pampanna Y**  
Assistant Professor, Main  
Agricultural Research station,  
UAS, Raichur, Karnataka, India

**Corresponding Author**  
**Shweta Karadipatil**  
Department of Agricultural  
Extension Education, University  
of Agricultural Sciences,  
Raichur, Karnataka, India

## A study on motivational factors of farmers to join farmer producer companies in North-Eastern Karnataka

**Shweta Karadipatil, Dr. DM Chanadargi, Dr. SB Goudappa, Dr. Basavaraj Hulagur, Dr. DG Satihal and Dr. Pampanna Y**

### Abstract

The study was conducted in purposively selected North-Eastern districts of Karnataka state. A total of ten Companies were purposively selected from the region in the year 2019. The respondents for the study were the members holding a share in the Company. The list of registered members was taken from each company growing multiple agriculture and horticulture crop thus twenty five respondents were randomly selected. Thus, a total of 260 registered member farmers were selected for the study. Ex-post-facto and exploratory research design was used for the study. The collected data was analyzed using Garret Ranking technique With respect to the motivational factors, majority of the farmers responded to the factor of availing price advantage through aggregation of produce (78.06%) followed by timely availing low cost and quality inputs (63.64%), to find new additional ways of marketing output (53.48%) and to get procurement done at his door step in turn reducing the transportation cost (40.14%) as the major motivational factors to join FPCs.

**Keywords:** famer producer company, motivation, membership, procurement

### Introduction

Globalization, liberalization and changed agrarian situation, pushed to think institutional options to safe guard the interest of farmers and facilitate them to reach a higher level of profits through novel agro-food networks (Trebbin and Hassler, 2012) [7]. In this context, to know the factors which motivated farmers to join FPCs becomes important. Identification of such factors helps to form FPCs and motivate other members to join them and avail the benefits provided by FPCs. Farmer Producer Organization/Company is a legal entity formed by group of farmers or primary producers, viz., agriculture farmers, milk producers, fisherman, small tea growers, weavers, craftsman *etc.*, works closely in support of the Department of Agriculture and Co-operation and the various state governments to enhance production, productivity, and profitability of small farmers (Anonymous, 2013) [1]. The basic purpose envisioned for the FPCs is to collectivize small farmers for backward linkage for inputs like seeds, fertilizers, credit, insurance, knowledge, and extension services; and forward linkages such as collective marketing, processing, and market-led agriculture production (Mondal, 2010) [5].

Producer organization/company increases the skills, revenue and bargaining power of the smallholder farmers in the production and marketing of their produce. Producer Companies also disseminate technical knowledge to its members, improve their production efficiency, reduce the transaction costs, market the final produce and are even successful in capacity building thereby, fabricating the social capital.

### Materials and Methods

The present study was conducted during the year 2019-20 in North-Eastern Karnataka to know the motivational factors behind joining Farmer Producer Company. The *exploratory* and *ex-post-facto* research designs were used in the present study. Both primary and secondary data was used in the present study. The exhaustive information using secondary data of the districts was collected and compiled as per the desire of the study. A list of active FPCs was collected from the various officials of development departments like Agriculture department, Horticulture department, NABARD *etc.* The primary data was collected from members of FPC, project managers, village residents, coordinators, personnel of the agricultural and

horticulture department, resource persons working under various institutions facilitating and promoting FPC. The data were collected through personal interviews, observation methods, farmer meetings, and field surveys. The primary data were related to behavior and response of respondents including members and non-members of FPCs. The secondary data were collected from records of the FPCs records maintained by the associated NGOs, journals, thesis, and books related to the study as well as from the internet. The data from both the sources was used in combination as per the objectives of the study.

#### Selection of FPCs under the study

The study was conducted in five districts, Kalaburgi, Koppal, Raichur, Vijayanagar and Yadgir of North-Eastern Karnataka. Ten FPCs promoted by Small Farmers Agribusiness Consortium were purposively selected. One FPC from Vijayanagar district (Tungabhadra Horticulture Farmer Producer Company Ltd.) four from Kalaburgi (Nisargha Farmer Producer Company Ltd., Rohini Farmer Producer Company Ltd., Negilayogi Horticulture Farmer Producer Company Ltd. and Grameena Horticulture Farmer Producer Company Ltd.), two each from Koppal (Abhinavashri Horticulture Farmer Producer Company Ltd. and Yelaburga Horticulture Farmer Producer Company Ltd.) and Raichur (Raichur Farmer Producer Company Ltd. and Amareshwara Farmer Producer Company Ltd.), and one from Yadgir (Bhagyodaya Farmer Producer Company Ltd.) were selected.

#### Selection of the respondents under the study

In the study ten FPCs from North-Eastern Karnataka were selected to know the factors that motivated farmers to join FPC by paying prescribed membership fee. From each FPC twenty five registered members were randomly selected and personally interviewed using schedule.

The factors of motivation for joining the FPCs were analyzed using Henry Garret ranking method

#### Formula for Henry Garrett's ranking technique

$$\text{Percent position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where,

$R_{ij}$  = Rank given for the  $i^{\text{th}}$  variable by  $j^{\text{th}}$  respondents

$N_j$  = Number of variable ranked by  $j^{\text{th}}$  respondents

With the help of Garrett's formula, the percent position estimated was converted into scores. Then for each factor, the scores of each individual were added and then total value of scores and mean values of score were calculated. The factors having highest mean value were considered to be the most important factor under the study. The mean scores for all the factors were arranged in the order of their ranks and inferences were drawn.

#### Results and Discussions

##### Motivational Factors to join FPCs

The main observations obtained under Table 1 reveals that majority of the farmers responded to the factor of availing price advantage through aggregation of produce (78.06%) followed by timely availing low cost and quality inputs (63.64%), to find new additional ways of marketing output (53.48%), to get procurement done at his door step in turn reducing the transportation cost (40.14%), to avail technical advices in production and post production activities (27.25%), to access custom hiring implements at low cost (24.66%), to get free from middlemen exploitation (20.53%), access post harvest management and storage facilities (15.82%) and 9.66 per cent to get recognition in society.

Results revealed that getting price advantage was a major motivational factor for the farmers. The benefits derived by members on association with FPCs were in the form of technology adoption, access to market and credit. The joining of FPCs gave them hope of getting better prices for their products. The farmers were paying high cost to private input dealers for inputs such as fertilizers and plant protection chemicals which they felt financial burden for each season and the traditional marketing ways did not yield higher return all the time to all the crops, hence they preferred joining FPCs to avail low cost inputs and explore new marketing channels for their produce. The results were in line with findings of Elbheri (2013), Emmanuel (2015) <sup>[4]</sup>, Parthiban (2015) <sup>[6]</sup> and Darshan (2017) <sup>[2]</sup>.

**Table 1:** Rank order of motivational factors influenced members to join FPC

Sl. No.	Motivational factors	Per cent	Rank
1.	To avail price advantage through aggregation of produce	78.06	I
2.	To timely avail low cost and quality inputs	63.64	II
3.	To access post harvest management and storage facilities	15.82	VIII
4.	To get recognition in society	9.66	X
5.	To avail benefits of trainings and capacity building programmes	20.53	VII
6.	To avail technical advices in production and post production activities	27.25	V
7.	To access custom hiring implements at low cost	24.66	VI
8.	To get free from middlemen exploitation	20.53	IX
9.	To explore new ways of marketing output	53.48	III
10.	To get farmers door step procurement reducing transportation cost	40.14	IV

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