

A Study of Farmer's Producer Organization Promotion in Suryapet Mandal, Suryapet District, Telangana

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Abstract

This research paper examines the establishment and functioning of Suryapet Mandal Farmers Producer Company Limited (SMFPCL) in Suryapet district, Telangana. The company, promoted by small and marginal farmers, aims to enhance agricultural productivity and improve the livelihoods of its members through collective efforts. The paper focuses on the company's activities, including procurement, grading, marketing, and value addition to members' produce, with an emphasis on both forward and backward linkages in agricultural production. The research evaluates SMFPCL's role in fostering mutual assistance, promoting sustainable farming practices, and supporting the socio-economic upliftment of its stakeholders. It also highlights the operational model, challenges faced, and suggests pathways for strengthening the organization's future performance. The paper demonstrates the effectiveness of Farmer Producer Organizations (FPOs) as a model for improving agricultural outcomes in rural India, emphasizing the importance of collective action and institutional support to address the challenges faced by smallholder farmers.

Keywords: Suryapet, small farmers, livelihood enhancement, collective farming, Agriculture.

Introduction

India is an agriculture country which the agrarian economy of the nation predominantly dependent on small and marginal farmers, which constitute major portion of the farming community. These farmers often face challenges like limited access to technology, credit, and markets, which impede their ability to enhance productivity and income. In response, Farmer Producer Organizations (FPOs) have emerged as a powerful tool for improving the livelihoods of these farmers through collective action.

The Suryapet Mandal Farmers Producer Company Limited (SMFPCL) is one such initiative aimed at addressing the challenges faced by small and marginal farmers in the Suryapet district of Telangana. The company, formed with the objective of promoting mutual assistance and behavioral changes among its members, focuses on various activities, including production, marketing, and value addition of crops such as red gram, paddy, cotton, and vegetables.

This paper aims to explore the significance of SMFPCL in transforming the agricultural landscape of the region and enhancing the socio-economic status of its members.

Study Area

Telangana state is one of the newly formed state and it is formerly a part of the Andhrapradesh state, but historically it is a part of Hyderabad state which was under Nizam rule and it is merged into Andhra state on Nov1 1956 .

The Telangana state was created by then the Government of India after a long struggle and it was made a separate state on June 2, 2014. The total geographical area of the state is 1,12,077 Square Kilometers and as per the 2011 census the population of the state is 35,003,674 persons. The state of Telangana consists of 33 districts and it is bounded by Maharashtra and Chattisgarh on Northern side and Karnataka on Western side and Andhrapradesh on Southern and Eastern side.

Suryapet district located in Telangana State of India. It is one of the three revenue district which consists of 23 mandals under its administration. The district surrounded by Nalgonda, Khammam, Yadadri, Jangaon and Mahabubabad districts. The district spreads over an area of around 3607 square kilometers, and it is located around 134 km from the state headquarters. As per 2011 census the Population of the district is around 1,099,560 of which males accounts for 5,50,974 and females accounts for 5,48,586 and the sex ratio is of 996 out of 1000 males.

Suryapet is a block in the Suryapet District in Telangana state and covers a geographical area nearly 184 square kilometers. The block boundary latitudes are 17.1314° N and longitudes are 79.6336° E.

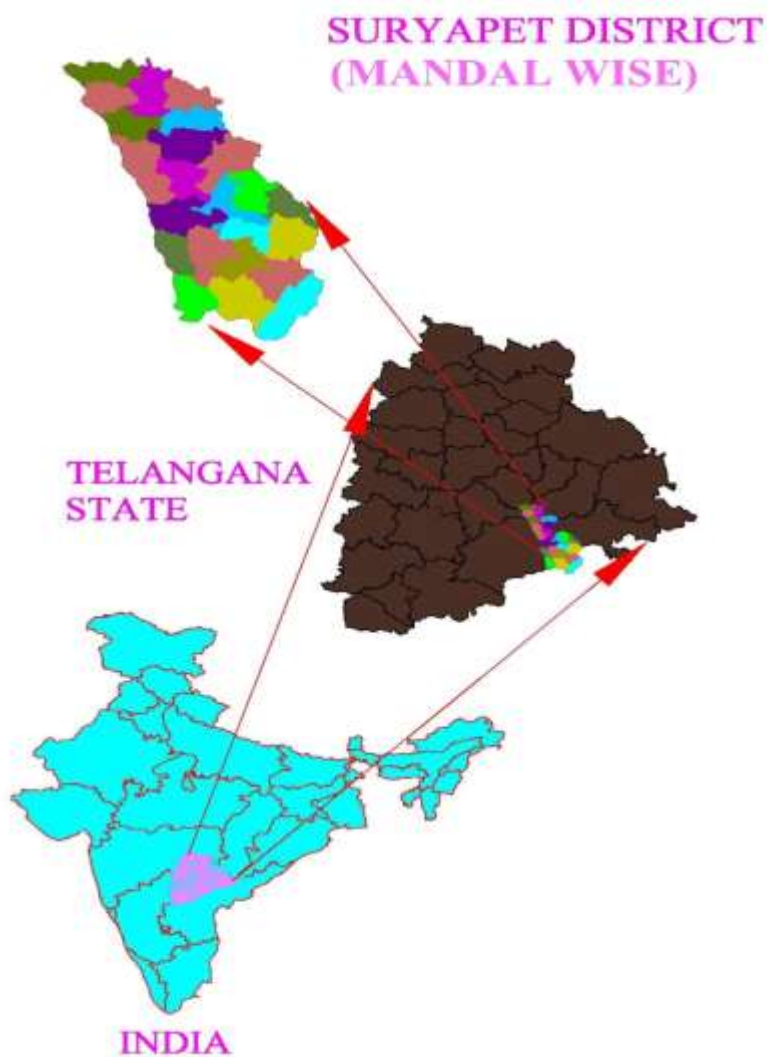


Fig: Suryapet District Map

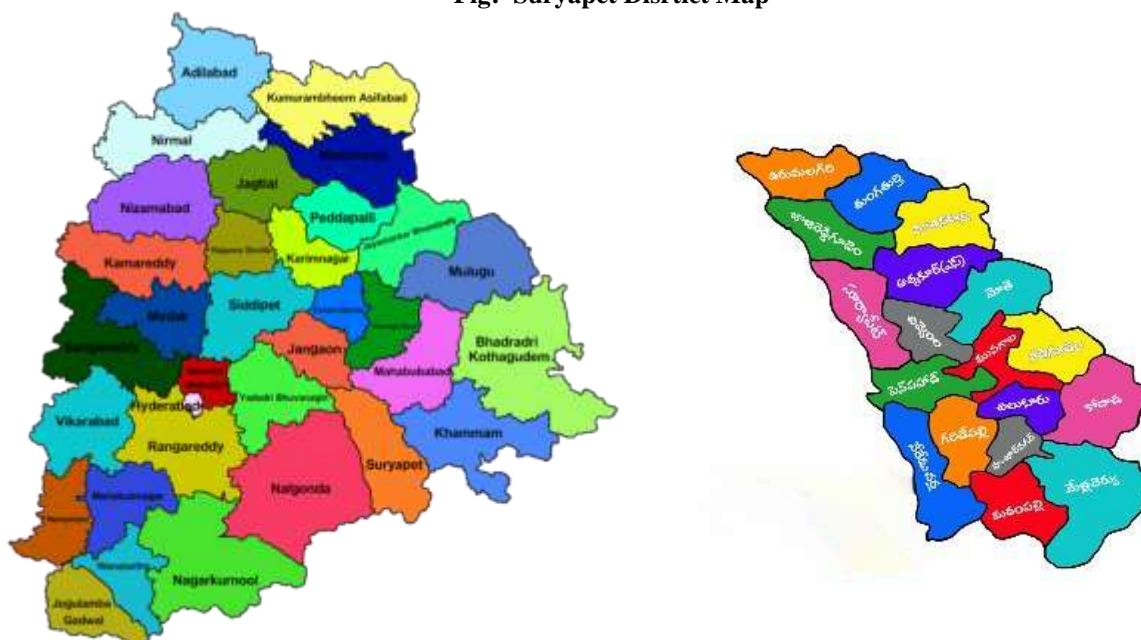


Fig : Telangana state District wise and Mandal Wise Suryapet District Map

Methodology

This study adopts both qualitative and quantitative research data collection, includes primary and secondary data collection methods. The primary data mostly was collected through interviews and surveys beneficiaries associated with SMFPLC and members of the Board of Directorate and other stakeholders involved in the implementation of the activities of the company while the secondary data type was collected from various documents including reports, books, research papers and publication related to SMFPCL and the broader context of farmer producer companies in India.

Climate and Soil of the Study Area

Climate and soil are the two most important factors for sustainable development of agriculture in a designated area of study. Here the study intends to explain the climate of the Suryapet district of the Telangana state. Normally this district is characterized by dry and tropical wet type of the climate. The average annual temperature is recorded around 36°C . During the summer season that is from March to June this area has a temperature between 30°C to even 45°C . the Month of May is the hottest month and the minimum and maximum temperatures are in between 35°C to 45°C, the highest recorded temperature is 51°C. During the winter season that is in the months from November to February this area has a temperature between 15°C to 23 °C. the Month of January is the coldest month and the minimum and maximum temperatures are in between 9°C to 18°C, the lowest recorded temperature is 9°C .

This region receives more rainfall in the South-West Monsoon season and the annual precipitation is total of 821 mm. The month of July is recorded as Wettest month with an average precipitation of 250 mm..

Suryapet’s Climate Data

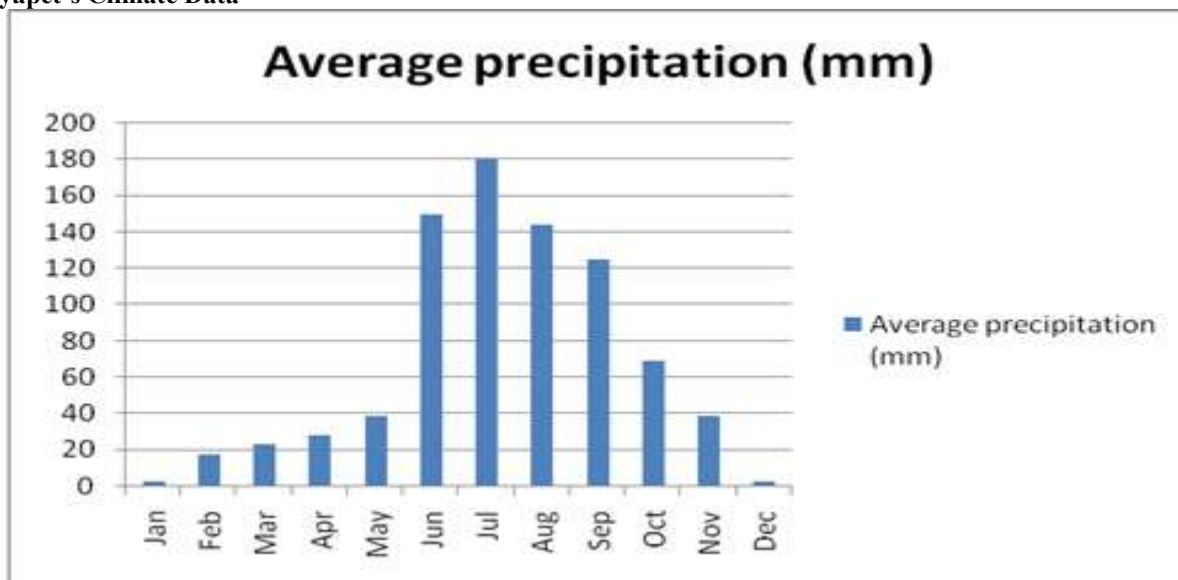


Figure 1: Average Rainfall

Types of Soil in Suryapet

The type of soil is another significant factor for the viability of the agriculture development in a designated area. The Suryapet block has different types of soils, including red sandy loams (Chalaka), red loamy sands (Dubba), and lateritic soils. According to USDA Soil Taxonomy (2014), these soils fall into four categories: Alfisols, Inceptisols, Entisols, and Vertisols. The main types are red soils, block soils, and sodic soils.

Land Holding in the Study Area:

The government, according to the 2015-2016 Census, has classified land holdings in the study area into five categories: The Marginal farmers (Land Holdings of less than 1 Ha) ,Small farmers (Land Holdings between 1-2 Ha), Semi-Medium farmers (Land Holdings between 2-4 Ha), Medium farmers (Land Holdings between 4-6 Ha), and Large farmers (Land Holdings over 10 Ha), It is clear from the below table that Marginal and Small farmers predominate in the villages of Suryapet Block and Balemla project clusters having maximum number of Marginal and small farmers together comprise 68.11 percent of the total.

Table.1: Land Holding

Location	Total Farmers (Nos.)	Land Less/ Tenant Farmers No. / %	Marginal Farmers No./ %	Small Farmers No. / %	Semi Medium Farmers No. / %	Medium Farmers No. / %	Large Farmers No. / %

Suryapet Block	16739	726	10907	3294	1372	393	44
Balemla project cluster	6487	137	4226	1434	550	125	25

Source: MPDO office Suryapet

Table 2: Land use Patterns in the Study Area (Acres / Ha)

S No	Parameters	Suryapet Block	Balemla Project Cluster (Acres/Ha)
1	Total Geographical Area	52993	21087
2	Total Cultivable Area	40806	16733
3	Net Sown Area	22425	7041
4	Gross Cropped Area	18381	9692
5	Forest Area	0	0
6	Fallow Land	12689	6537
7	Rain fed area	3840	3840
8	Canal irrigated area	1507.7	613.5
9	Tube Well irrigated area	3840	1452.8

Source: MPDO office Suryapet

Agricultural and Horticultural Crops by Productivity in the Study Area 2019-20:

Table 3: Agricultural Crops

S.No.	Agri. Commodity	Area (in ha)	Production (in metric tonnes)	Productivity (metric tones / ha)
1	Paddy	1062.733	2656.8325	2.5
2	Cotton	767.729	614.1832	0.8
3	Red gram	64.0455	19.21365	0.3
4	Green gram	14.997	2.9997	0.2
5	Groundnut	1.367	0.6835	0.5
6	miscellaneous	1912.18	764.872	0.4
	Total	3823.0515	4058.7856	4.7

Source: Mandal Agricultural office, Suryapet

Table 4: Horticultural Crops

S.No.	Horti. Commodity	Area (in ha)	Production (in metric tonnes)	Productivity (metric tones / ha)
1	Mango	125.12	2002	16
2	Vegetables	294.47	4410	15
3	Acid lime	47.84	466	9.75
4	Sapota	20.7	455	22
5	Guava	13.79	345	25
	Total	501.92	6678	87.75

Source: Mandal Agricultural office, Suryapet

The Concept and Role of Farmer Producer Organizations (FPOs)

Farmer Producer Organizations (FPOs) are groups formed to support small and marginal farmers by improving their access to inputs, credit, technology, and markets. They enhance farmers' bargaining power and reduce costs through collective procurement, marketing, and value-added activities. An example is SMFPCL, which offers a range of services to boost the economic well-being of its members.

Risk Aspects Faced by Farmers

Local farmers face several risks when cultivating common crops, including floods, droughts, cyclones, extreme weather conditions, and recurring crop diseases. These risks often lead to significant losses. Risk mitigation measures, participation in crop insurance schemes, and other coping mechanisms are crucial to reducing these challenges.

Table.5: Last Five years(2016-2020) data required to estimate historical risk

S.No.	Type of Crisis	Month and Year of Occurrence	Nos. of farmer affected	Crop involved in crisis
1	Floods	September 2020	12354	Paddy,cotton,red gram etc.,
2	Heavy Rain	August 2019	9458	Paddy, Cotton,Red gram,Green gram.
3	Heavy Rain	October 2018	5674	Paddy,Ctton
4	No Rain	December 2017	4328	Green gram,jowar
5	No Rain	July 2016	7268	Cotton,Green gram

Coping and Mitigating mechanism: Measures available to compensate the losses occurred like crop insurance etc.

Risks and challenges: The risks and challenges management has to be face in day-to-day operation the main details are explaining in below.

S.NO	Possible Risk	Ways to Manage Risk
1	Crop Failures	Conservative planning by taking into consideration history of crop failures. Keeping conservative capacity for the infrastructure; Alternate arrangements (like non-members, form the FPOs) for raw Material.
2	Quality deterioration	Institutionalizing quality parameters and quality checks, incentives, disincentives; standardizing and monitoring quantity losses; Quality check for raw material; Customer feedback system
3	Decline in market price	Planning for production and storage as per seasonal demand requirements; Having portfolio of buyers; Developing price stabilization fund;
4	Non-availability of working capital	Securing required working capital for the business cycle beforehand itself; Having multiple sources
5	Accidents-Fire etc	Insurance
6	Intermittent power supply	Conservative production planning
7	Intermittent labour availability	Alternate labour planning from other villages

Marketing Aspects: Marketing involves various channels, each with different margins and costs. Key factors include quality standards, price sensitivity, and market seasonality. Exploring alternative market structures is essential to meet current and future product demand effectively.

Table.6: Horticulture Produce in the Block

S.no	Name and location of APMC Market	Distance in Km from Block HQ	Major commodities handled
1	Agriculture Marketing commodity, Suryapet	03	Paddy,red gram, vegetables etc.,

Establishment and Operations of SMFPCL

SMFPCL was established to serve the needs of farmers in 20 villages across 18 panchayats in the Suryapet Mandal of Telangana. The company is registered under the Companies Act, 2003, and follows the regulations set forth for producer companies. SMFPCL’s activities include:

- 1. Production and Harvesting:** Providing inputs like quality seeds, fertilizers, and agricultural tools to farmers.
- 2. Procurement and Marketing:** The company facilitates the procurement of produce from its members and ensures access to broader markets for selling crops.
- 3. Grading, Pooling, and Value Addition:** It provides value addition services, including grading and pooling of produce, which enhances the marketability and profitability of the members' produce.
- 4. Training and Technology Transfer:** Offering technical services and training to farmers on best agricultural practices and modern technologies.
- 5. Financial Services:** Providing access to credit, insurance, and financial products to the farmers.

Impact on Small Farmers' Livelihoods

The primary goal of SMFPCL is to improve the livelihoods of small and marginal farmers by enhancing productivity, reducing costs, and improving market access. Initial assessments indicate that farmers associated with SMFPCL have seen improvements in:

1. **Income:** By reducing middlemen and enhancing market linkages, farmers have been able to fetch better prices for their produce.
2. **Productivity:** The introduction of modern farming practices, along with technical training and inputs, has led to an increase in crop yields.
3. **Social Benefits:** SMFPCL has also contributed to improving social capital by fostering cooperation and solidarity among farmers, especially women.

Challenges and Limitations

Despite its successes, SMFPCL faces several challenges

Despite improved market access, competition from larger agribusinesses and traders continues to impact the profitability of SMFPCL. The company still depends on external funding and needs to develop sustainable revenue streams. Although training programs have been conducted, the scale of capacity building remains insufficient to meet the growing needs of the farmers.

Government and NGO Support

SMFPCL benefits from government schemes like the Central Sector Scheme for the Promotion and Formation of 10,000 FPOs and is supported by DHAN Foundation, an NGO that aids in capacity building and training. These partnerships are crucial in enabling the company to provide services and reach its objectives.

Conclusion

Suryapet Mandal Farmers Producer Company Limited has proven to be an effective mechanism for enhancing the livelihoods of small and marginal farmers in the Suryapet district of Telangana. By fostering collective action, improving market linkages, and providing access to essential services, SMFPCL has contributed significantly to the socio-economic development of its members. However, challenges remain in ensuring long-term sustainability and scalability of its operations.

Suggestions and Recommendations

To enhance the effectiveness and sustainability of SMFPCL, the following recommendations are proposed:

- SMFPCL should explore diversification into other sectors, such as agro-processing and direct consumer sales, to enhance its profitability.
- A comprehensive and ongoing training program should be established to equip farmers with the skills required to adapt to changing agricultural practices.
- The company should focus on developing its financial model, including exploring innovative funding options and partnerships.
- SMFPCL should advocate for supportive policies that facilitate smoother market access and better infrastructure for small farmers.

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