

Performance Analysis of Farmer Producers Company in promotion of Medicinal and

Aromatic Plants cultivation: A Case Study in Bihar

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ABSTRACT

Farmer Producer Company help farmers in earning more returns through collective action approach. Due to influenced of Utkarsh Farmers' Producers Company Limited, majority of the farmers (60.0.30 %) were expressed their interest in the cultivation of aromatic crop mentha in 15.5 acre area Maximum efforts made by FPC in Bettiah district where 52.50% farmers were motivated towards cultivation of aromatic crop mentha in 13 Acre land. Bihar farmers are excellent producers but they struggle to market their medicinal and aromatic herbal products. It is found that the FPC is operating better in terms of supplement of inputs i.e., backward linkage whereas there is a lack in marketing linkage for sale of high value produce of medicinal and aromatic plants. Thus, there is need to improve the constraints felt by the members of Utkarsh Farmers' Producers Company Limited to overcome the challenges faced by small and marginal farmers who lack access to resources and services in the cultivation of medicinal and aromatic Plants.

Keywords: Farmer Producer Company, Performance, Medicinal and Aromatic Plants, Bihar

INTRODUCTION

India exports herbal materials and medicines to the tune of nearly 600 corers annually [1]. The market of medicinal and aromatic herbs are estimated to touch around 5 trillion US dollars by 2050 [2], thereby making this sector one of the fastest growing sectors and full of opportunities to farmers, manufacturers and other stakeholders. However, the small and marginal farmers are not economically viable to adopt medicinal and aromatic Plants cultivation as crop diversification option in Bihar. Because they are unable to realize good value from the market by selling their

produce individually.

In order to overcome the above challenge, the Government has initiated a new organizational pattern in agricultural production and marketing to encourage the groups of small and marginal farmers, who are the main manufacturers of agricultural output and linked with the corporate buyers. The Farmers Producer Company (FPC) has come out as one of the most efficient pathways

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to address the many challenges of agriculture, more significantly, improved investments, access to inputs, technologies and markets [3]. Farmers Producer Company (FPC) is collectivization of producers, especially small and marginal farmers and is registered under the IXA Companies Act of 1956. There is a rising optimism that the farmer's organizations can act as a potential driving force for agricultural and rural development [4]. Also, FPOs reduce input cost, work for skill development and capacity building, generate managerial and leadership qualities, generate employment opportunities and transform traditional agriculture into business corporation [5].

Thus, considering the significance of FPC in view of the above facts, a case study was conducted during 2021-22 to analyze the "Performance of Utkarsh Farmer's Producers Company Limited in promotion of Medicinal and Aromatic Plants cultivation in Bihar".

METHODOLOGY

The case study was conducted during 2021-22 by AICRP MAPs, Betelvine Research Centre, Islampur (BAU, Sabour) in accordance with Anonymous [6]. For the present study "Utkarsh Farmer's Producers Company Limited" was selected as they adequately represent successful and assessable case studies. Also they have completed a minimum of two years of its function and registered under the Companies Act 2013. Beside, the company has involved in the cultivation of medicinal and aromatic plants such as mentha, satavar, moringa, akarkra etc in various district of Bihar and emerged as a successful company in raising the nursery of medicinal and aromatic plants and its selling. To study the "Performance Analysis of Utkarsh Farmer's Producers Company Limited for promotion of Medicinal and Aromatic Plants cultivation in Bihar" A total of 40 members from this FPC were selected from targeted district of Bihar where the work and the activities of this FPC intervened and performed. Data was collected by using farmer's feedback method and primary data supplied by the Utkarsh Farmer's Producers Company Limited. Basic information and economics (as on 31.03.2022) of this FPC is furnished in the Table 1.

RESULTS AND DISCUSSION

Influence of FPC for cultivation of medicinal and aromatic crops

The results from the Table 2 revealed Influence of FPC for cultivation of medicinal and aromatic crops in Bihar. It was found that; majority of the farmers (60.0.30 %) expressed their interest in the cultivation of aromatic crop mentha in 15.5 acre area due influenced of Utkarsh Farmer's Producers Company Limited. This might be due to availability of planting material (suckers of mentha) and its timely supply to the farmers of Bettiah and Aurangabad district for sowing as per efforts taken by the FPC. The second major crop was black paddy (7.0 Acre) followed by medicinal crop satavar (4.0 Acre). These two crop cultivated by 16.55 % farmers (Aurangabad, Arwal & Samstipur district) and 10.0 % farmers (Vaishali, Aurangabad, Bhojpur & Gaya district) respectively,. In addition to that farmers were also showed their little interest in the cultivation of akarkara (2.0 Acre), moringa (1.2 acre), black wheat (1.0 Acre) and kali haldi (0.5 acre) in various district. This is might be due to more coordination and cooperation existed between members of FPC about their roles and responsibilities. A similar view also reflected in the report advocated by [7,11,12, and 13].

Influence of FPC in targeted district for MAPs cultivation

The results shown in the Table 3 stated about the influence of FPC on targeted district for MAPs cultivation in Bihar. From this table it was exhibited that; Utkarsh Farmer's Producers Company Limited made their maximum efforts in Bettiah district where 52.50% farmers were motivated by him towards cultivation of aromatic crop mentha in 13 Acre land. This might be due to establishment of processing unit at Krishi Vigyan Kendra, Piprakoti (Motihari) which provide facility to farmers of nearby district (Bettiah) for extraction of oil from aromatic plant menthe. The second major focused district adopted and influenced by FPC was Aurangabad where 27.6% farmers were engaged in the cultivation of various crop such as mentha, Satavar, moringa & Black paddy in 8.0 Acre land. This is perhaps due easy operational work and public relationship activities of FPC because of nearest location of its head quatre

Table 1: Basic information economics of Utkarsh Farmer's Producers Company Limited

Name of FPC	Utkarsh Farmer's Producers Company Limited"
Registration no. & date	U01130BR2020PTC046436, dated 21 June 2020
Location of the FPC	Village Tola- Jagdishpur Ahamadpur Harna, Block- Kurtha, Dist – Arwal, State – Bihar Pin -824121
Objective/thrust Area of FPC	Medicinal & Aromatic herbal based entrepreneurship development
Members associated with FPC	200 members presently associated.

Table 2: Influence of Utkarsh Farmer's Producers Company Limited for cultivation of medicinal and aromatic crops in Bihar

Sl. no.	Crops	Area (Acre)	No of farm-ers	District name
1	Mentha	15.5 (53.45%)	24 (60.0%)	Bettiah & Aurangabad
2	Satavar	4.0 (13.79%)	4 (10.0%)	Vaishali, Aurangabad, Bhojpur & Gaya
3	Akarkara	2.0 (6.90%)	1 (2.5%)	Gaya
4	Kali haldi	0.5 (1.72%)	1 (2.5%)	Arwal
5	Moringa	1.2 (4.14%)	2 (5.0%)	Aurangabad & Arwal
6	Black paddy	4.8 (16.55%)	7 (17.5%)	Aurangabad, Arwal & Samstipur
7	Black wheat	1.0 (3.45%)	1 (2.5%)	Gaya
Total		29.0 (100%)	40 (100%)	

(H.Q.) in Arwal district. Beside, farmers of some other district (Vaishali, Bhojpur, Gaya, Samstipur) were also influenced by the activities performed by FPC for medicinal and aromatic plant cultivation. Also, earlier worker stated that a wide range of crops were being cultivated and marketed by the selected farmers through producer companies [8,14,15,16 and 17].

Constraints faced by Members of FPC:

The results presented in Table 4 reveal various constraints faced by the farmers with respect to FPC. From this table, it has been found that, majority of the farmers (85.30 %) expressed their problem of lacking processing units; the probable reason for this might be the high cost involved in establishing processing units and lack of technical knowledge regarding processing technology. The second major constraint is the absence of proper market linkage (75.62%). This might be due lack of market linkage between farmers and buyers. As a result of poor marketing linkage and credit facilities, 71.80% of members are facing the problem of improper procurement system. A similar findings are also reported by [9,18, 19 and 20].

Thus, majority of the farmers expressed constraints such as problems related to lack of processing units, absence of proper market linkage, non-existence of procurement system, Poor credit facilities, lack of proper input supply, complexity of the registration process, high initial membership charge, more paper work for keeping record and Inadequate knowledge about various services provided by FPC.

Suggestions for improving performance of FPC:

The results depicted in Table 5 reflected various suggestions given by the farmers to overcome the problems. The establishment of processing units related to primary processing was the suggestion given by a majority (75.45 %) of the farmers. This is due to the non-availability of processing facilities for their high value produce such as mentha, satavar, moringa etc., suggested setting up processing units so that they could fetch a higher price for their produce. About 51.78 % of the farmers' emphasized to improve the market gap between buyers and farmers by bridging the gap between the ensured buyers and farmers with a proper procurement system on a agreement based method. 56.90% farmers suggested

Table 3: Influence of FPO in targeted district for MAPs cultivation in Bihar

Sl. no.	District name	Area (Acre)	No of farmers	Crops
1	Bettiah	13 (44.80%)	21 (52.5%)	Mentha
2	Aurangabad	8.0 (27.6%)	9 (22.5%)	Mentha, Satavar, moringa & Black paddy
3	Vaishali,	0.5 (1.7%)	1 (2.5%)	Satavar
4	Bhojpur	1.0 (3.4%)	1 (2.5%)	Satavar
5	Gaya	3.5 (12.1%)	3 (7.5%)	Satavar, Akarkara & Black wheat
6	Arwal	2.6 (9.0%)	4 (10.0%)	Kali haldi, Moringa & Black paddy
7	Samstipur	0.4 (1.4%)	1 (2.5%)	Black paddy
Ttotal		29.0 (100%)	40 (100)	

Table 4: Constraints faced by the Members of Farmer Producer Company (n=40)

S.No	Items	Frequen- cy	Percentage
1	Lack of processing units	34	85.30%
2	Absence of proper market linkage	30	75.62%
3	Non-existence of procurement system	29	71.80%
4	Poor credit facilities	24	60.74%
5	Lack of proper input supply	22	55.40%
6	Complexity of registration process	15	37.50%
7	High initial membership charge	7	17.33%
8	Inadequate knowledge about various services provided by FPC	7	16.50%
9	More paper work for keeping record	6	15.46%

Table 5: Suggestions Offered by the Farmers for Improving Performance of FPC (n=40)

S.No	Items	Frequency	Percentage
1	Establishment of processing units	30	75.45%
2	Awareness programme about FPC need to be conducted	27	67.80%
3	Procurement system to be improved	24	60.35%
4	Credit facility can be enhanced	23	56.90%
5	Proper market linkage can be made	21	51.78%
6	FPO registration procedure should be made simple	13	32.76%
7	Membership charges should be reduced	10	25.30%

enhancing the credit facility for the members either as collateral loan by keeping their produce as a sign of assurance. 32.76 % of the farmers suggested that the registration process should be made simple as it will be helpful even for illiterates to get membership in the FPC. However, 25.30% of the farmers opined that membership charge imposed was higher and should be reduced. These findings are in conformity with [10, 21, 22 and 23] too.

Hence, suggestions given by the farmers for better performance of the FPC towards establishment of processing units, conduct of awareness programmes about FPC, improving procurement system, enhancing credit facility, facilitation of proper market linkage, provision of simple FPC registration procedure and reduction in membership charges. All these suggestions should be incorporated for effective and better performance of the FPC.

CONCLUSION

Due to influenced of Utkarsh Farmers' Producers Company Limited, majority of the farmers (60.0.30 %) were expressed their interest in the cultivation of aromatic crop mentha in 15.5 acre area Maximum efforts made by FPC in Bettiah district where 52.50% farmers were motivated towards cultivation of aromatic crop mentha in 13 Acre land. It is also found that the FPC is operating better in terms of supplement of inputs i.e., backward linkage whereas there is a lack in marketing linkage for sale of high value produce of medicinal and aromatic plants. Thus, it is recommended to improve the constraints felt by the members of Utkarsh Farmers' Producers Company Limited in order to motivate and attract farming communities to adopt medicinal and aromatic Plants cultivation as crop diversification option in Bihar with collective action.

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