



A linkage between Farmer companies and Modern retail markets: The changing Era of Indian farmer's

Sudarshan Kashinath Dalwe

Department of Management Sciences, Savitribai Phule Pune University, Pune.
Maharashtra, India.

Abstract

After the long distressing period of the epidemic, all traders and producers are facing these consequences with all the knocks, retail market difficulties such as identification of customer segments, lack of capital, business competition, lack of information about new business opportunities, many such difficulties from local level to national level, along with all levels of market. After the pandemic period, consumers are cautiously buying only essential goods and services. 32% of consumers were seen shifting towards buying affordable goods and services. Broadly, 25% of consumers are buying purely health-conscious products, 16% of consumers are eco-friendly, 15% of consumers are pro-social, and 12% are shopping for experience-based goods and services. Due to these unexpected market movements, it is not possible even for the promoters today to know the exact market condition and plan sales, marketing and planning accordingly (HBR Article 10 March 2021). Then due to such challenging market conditions, the agricultural produce market has also been affected to a great extent. Agricultural product sales planning, newly available service tools, complete agricultural literacy, reduced distance between consumers and farmers have been widely transmitted in the retail market through farmer producer companies on Farmer Emergence

Opportunities and Extension in this Research chapter.

Keywords- Modern Retail Market, Farmer Producer Company, Pandemic situation.

1. Introduction

Farm food production, marketing systems have been undergoing unexpected changes for some time now. It is easy to highlight some of the main reasons behind this. One is centralization and integration, since agriculture and farmer are the basic elements in the food production system, the main benefits of centralization of system were seen to go directly to the roots of the production system. On the other side of the retail market system, the same retail market-based companies that remained constrained on manufacturing have seen growth. According to the World Bank (2007, P136) report, in 2004 the four largest companies in the global agricultural sector accounted for 33% of seeds, 38% of bio technology patents and 60% of agrochemicals. Farmers in developing countries are facing a material difficulty such as economic weakness, poverty, reduced bargaining power due to low availability of agricultural land, indifference to adopt additional technologies, lack of specialized knowledge, prevalence of errors in traditional agricultural technology, fluctuations in market and market prices. Mostly in India, common farmers are found owning farms less than 2.00 hectares. Efforts of the government, donors, charitable organizations and manufacturing companies can be seen for creating and implementing solutions to these problems. Marketing linked production improvement methods, farmer centric governance schemes, competitive structure in the global

market environment, efforts to survive local farmers with their own quality products are currently being made from a broad perspective through farmer producer companies, government, different organizations. Basically, agriculturist investment is also done on a limited scale and in a limited area with a heavy emphasis on generational inheritance.

This investment remains concentrated in nature-based production methods, daily health, education and daily necessities. Farmers are considered to invest in improved marketing systems, financial services, comprehensive education, health, environmental protection and welfare. Due to this, the government's special work on farmer collective formation is seen in the past, through which the government is paramount to the farmer to achieve the new goal. It is for this reason that there is a growing demand for the creation of agriculture-oriented institutions through which the broader objective of reducing poverty through agricultural sector development and farmer empowerment has been created. And financial and guidance assistance from International Monetary Fund, World Bank is often taken for the creation of drafts for such purposeful planning institutions. The purpose of such guiding values is to underline the remaining principles in the values created by the government and the private sector to guide such agriculture and farmer organizations in any situation. The path of development from sustainable to farmer production company or other organizations, the standard of living of all classes of local farmers, financial support, production and sale of products should have guiding principles that strengthen the autonomy of the farmers themselves or the group. Such a work culture will surely help in creating a distinct identity of direct farmer produce in the retail markets, slowly but surely over time. But the assurance and quality of the products should be the foundation for the upliftment of these farmers' organizations. Customer preference and consistency should be a permanent proof of success for farmers and farmer-led organizations. From that, the continuity of sales planning will remain with such organizations. The food market is expected to reach USD 905.5 billion in FY 2023-24. An average annual growth of 8.40% is expected, of which 1.7% revenue generation is generated from online food sales alone (Market insight, consumer/statista.com)

Compared to this, the farmer-to-consumer market is expected to be worth \$24 billion (2025), (based on INC42) and if studied, it is clear that this market is entirely based on farmer production skills. The scope and demand of the current direct farm produce purchase markets are increasing, mainly because the quality of organic produce can be maintained through farmer-to-consumer sales planning only. Therefore, there is no problem in reaching the consumers directly through the farmer producer company, on the contrary, in such a large economic transaction, competent support can be raised from the side of the farmer easily as a farmer producer company. Farmer producer company scope is increasing greatly in domestic transactions. According to a July 2021 report by the Ministry of Agriculture and Farmers, 4959 Farmer Producer Companies have been registered with the Ministry of Commerce, Government of India till the end of 2020. But the record of successful companies are easily available, but the record of how many non-functional companies are not easily available, the main reason behind this is that the farmer companies that move with proper planning easily come to limelight over time, there will be some examples, but the number is very less. Farmers or concerned company employees do not have any habit or knowledge of any other sponsored work like company planning, daily operations planning, manual writing and maintenance, manpower handling. On an average, till now registered farmer companies are organized in the same way as a business or a farming industry is organized in a traditional manner, and the day-to-day operations of the company are managed by the members. But now a days company planning guidance is monitored and controlled by the CBBO (Formation of 10,000 FPO's Under Central Sector Scheme with 6,865 Crore for next 5 years)

The layout and functioning of modern retail market system is advanced day by day. Access to consumers, efficient marketing and distribution system, complete differentiation and diversity of products and changes over time should be taken responsibly by the farmer along with the farmer company. In today's record and direct delivery of agricultural products to the consumer, even the agricultural companies need to bring the art of acquiring the retail market to the farmers instead of keeping it to themselves. It is also the responsibility of the farmer company to inculcate a broad commercial approach towards agricultural produce among the member farmers

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Aims and Objectives

1. To analysis the Farmer Preferences for Direct Farm Products.
2. To study farmer-oriented industry opportunities in F2C.
3. To identify the factors influencing and affects the farmer sale in F2C channel.
4. To determine the effectiveness of F2C channel on consumer and Farmer buying or selling behaviour.
5. To study role of FPO and other farmer-oriented organisations to promote F2C channel.

2. Literature Review

A number of materials are dealt with on various topics such as modern market recognition, agricultural production tools and marketing automation, new sales opportunities with agribusiness. An analysis of how retail budgeting practices and farmer production capacity have changed with the development of the modern retail world, and the creation of farmerproducer companies and the sale of agricultural products with the collaboration of farmer and farmer-producer companies to eliminate intermediation to sell agricultural produce individually or with a large own retail company. (Anika Trebbin 2015) is presented this thesis.

Farmer company registration, farmer incentive schemes, government schemes, various aspects of company and farmer integration, liability and Duties of shareholding farmer members in producer company are highlighted in this article (Bibhu Santosh Behara^a, Babita Panda^b, Rudra-2015) India's position in global ranking of agricultural production, grains, oilseeds, benefits of these agricultural incomes to the Indian economy, increase in basic prices due to intermediation in the marketing system, available volatile employment opportunities, future business opportunities seen by set industries in agriculture and allied sectors. Importance of four 'A' Accuracy, Availability, Applicability and Analysis in marketing, 'Agriculture online' Opportunities to exchange ideas through, governments digital initiatives like AgroNet, Agris, AgmarketNet, DacNet, VistarNet, AphNet, and the function, need, importance, and achievement of independent websites like this are shown in this study. A comprehensive information list of future projects, market opportunities and facilities to be set up for agriculture is being provided on the basis of information technology through various large companies. This can easily show the global reach of agricultural production. (Umashankar Venkatesh 2008) At present, agricultural produce marketing and sales are under the jurisdiction of village or taluka-wise agricultural produce market committees under the authority of the state government. The Market Committee controls the sale and marketing of agricultural produce in its jurisdiction based on two Acts. According to Rule I, the purchase or sale of agricultural produce outside the Market premises (market yard) is completely prohibited and According to Rule 2, purchase and sale within the area is entirely under the control and management of the Market Committee. The agriculture-based industries should also purchase the farm produce from the authorized and registered sellers of the market committee. Based on these rules, the management of purchase and sale planning of agricultural income is done through the market committee, it has

been highlighted in the said Article by Acharya (2006) highlights the following major problems of the Indian agricultural marketing system like poor market linkages, weak marketing infrastructure, inadequate rural capacity, negligible direct marketing, inadequate primary market facility, constrained food process system, ineffective handling of harvest, restrictive policy regulation, reduced private sector role. In the present article, the specific comments on the organized retail market sector and the opportunities for the farmer producer company are highlighted.

The Anticipated impact of farmer producer companies in retail market (Farmer Produce) Agriculture and farmers are basically doing their work in an unorganized manner. Agricultural produce sales planning, unexpected farm prices, none of these things are in the hands of the farmers as producers, so the control over the collective or collective marketing system will easily come to the farmer through the affiliate marketing system of a farmer producer company or similar farmer-oriented organization. The specific full space of direct farmer produce in the market should be created by the farmer himself or the farmer producer company with full management and there is no other way for the marketable farmer to keep this space alive except quality and consistency. In the modern retail market, each middle brand has its place, the farmer group has to create a unique agricultural product that differentiates its product from others. The journey of the path to perfection has to be completed by staying within the impact area of the farmers' market value, only then can the expected values from the produce to the consumers be delivered to the farmers.

3. Methodology

Subjects

All the information in the study on the subject of farmer producer agricultural produce direct retail market sales planning and sales management has been collected from this primary source. Independent opinions, thoughts, feedback of all the farmers and farmer companies contacted for the subject study are displayed along with the gains and faults.

Data Collection Tools

A well-designed questionnaire has been used for collection data from farmers and retail market holders, nodal promoters, all secondary data was also collected from the books, research papers, articles, standards operating procedures, journals and other sources.

Data Analysis

All the collected primary and secondary data were included in the consideration during the perception, it also statically processed classified with appropriated method and result were derived statical method.

4. Hypothesis

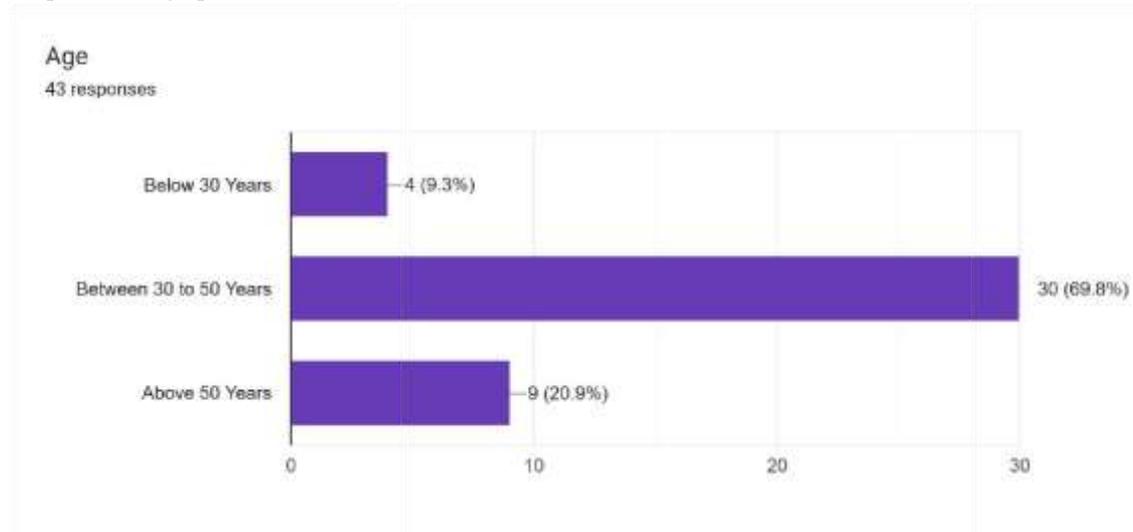
H1- Direct farmer participation in the retail market will help and encourage production growth along with increased commercial approach in agriculture.

H2- If the agricultural produce gets a special place in the daily retail market, it will raise the economic standard of the common farmers.

H3- Direct participation of farmers in retail markets will facilitate supply of quality produce to consumers.

H4- Farmers' self-empowerment will be boosted due to the special status of agricultural produce directly in the market, which will directly benefit the farmers to adopt modern technology, special schemes and a happy way of life.

Graph 1: Demographic Profile



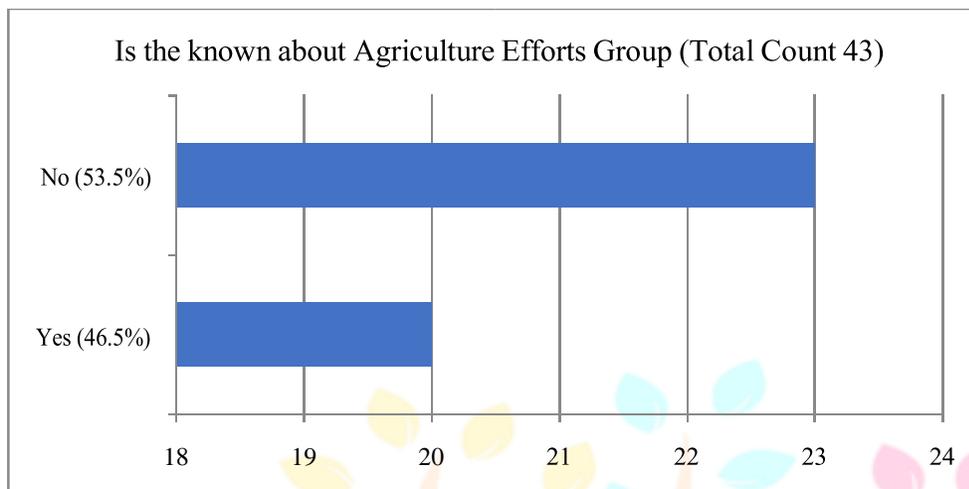
While looking at the demographic profile of farmers as farmers or members of farmers' organizations, there is no problem in making some assumptions based on the information obtained from the survey. 69.8% of respondents in agriculture or agriculture related occupations are between 30 and 50 years of age, 20.9% of farmers are above 50 years of age in the records, 9.3% of respondent farmers are below 30 years of age. It is clearly seen that the youth did not like to choose purely agriculture-based career or to choose agriculture as a career only. Few of the youths who are taking up full-time farming today are due to family financial situation, responsibility, less desire towards education.

In accordance with this, the education gap is not felt in the agricultural sector, even though the generation between the ages of 30 and 50 is working in agriculture, it is seen that this generation has fulfilled the needs of education related to daily activities, the fulfilment of the new farmer scheme, and the implementation of the government scheme, It is evident that 88.04% of people engaged in agriculture have completed education from high school to graduation. 9.3% of post graduate degree holders are engaged in agriculture and only 2.3% of the surveyed farmers are found to be completely illiterate or only engaged in numeracy. Accordingly, today it would be a mistake to think that the agricultural sector is only the domain of uneducated people or less educated people. Since ancient times, the size of the agricultural area has been considered very important for the growth in agriculture; it could be the absolute effect of the area on the farmer's production. But increasing generations have led to numerous divisions of the agricultural sector, and as a result, increasing generational ownership of less agricultural land is reducing farm income. At the end of the survey, It was observed that 83% of the original farm lands were distributed. That is, an average of 83% of agricultural land has been divided and the number of entitlements has increased by the same amount. As a result, it is necessary for the farmers to recognize the need to use modern technology or come together to farm collectively. The increase in agricultural area share has greatly reduced the amount of output from agriculture, hence dependence on non-agricultural sources has arisen to meet daily needs or understanding the importance of education and standards living have led to dependence on non-agricultural

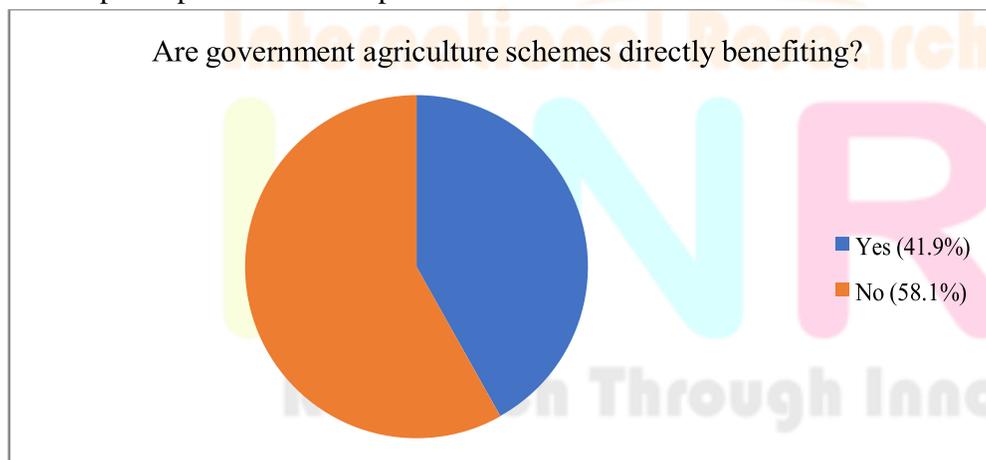
income. According to survey, 14% farmer's family are employed by job as secondary sources of income other than agriculture, 16.3% of farmers are quite busy in traditional occupations also, 30.2% are newly started occupations due to such critical agricultural conditions and 41.9% farmers are happy with own agriculture schedule or either other sources of income than agriculture and above mode of income.

Between average of agricultural income and non-agricultural income, 62.8% of the farmers give agriculture as the second place for absolute source of income, which means that even today no farmer seems ready to consider agriculture as the source of total income; only 25.6% of the farmers still consider agriculture as the permanent source of income. As a result, for alternative services related to farmer or agriculture, it is clear that the farmer company or farmer association will be of great help to the farming class. It is seen that time to time such efforts

have been always made by the government, but it is not clear that such companies or farmer associations are recognized in the farmers, only 46.5% of farmer are the member or knows such helpful entities and 53.5% still does know anything about what is Farmer Producer Company and others.



Therefore, according to the market demand, the survey revealed that the farmers are not dependent on any one crop method; it is clearly found that the farmers are consuming traditional crops in agriculture and commercial crops equally. And through this, it was clearly felt that the farmers also tried selling directly to the retail market or directly to the consumer, 32.6% of the farmers said that this experiment was completely successful and 67.4% of the farmers said that they had not tried such a sale method, but if such a service will available in the future, then they agreed to experiment with direct sales to market. And 97.7% of the farmers showed the opportunity or willingness to work with farmers' company or farmer's organization for this direct retail market or consumer sales, but as a result, there was a strong displeasure of farmers about the benefits of the government scheme, according to 58.1% of the farmers, even today, the government schemes are not benefiting and small farmers have a large share of the opinion for that. 41.9% of the surveyed members believe that they now directly benefit from government schemes due to the changed distribution system and highlighted thing in it big holding farmers have a lot of participation in these opinions.



5. Findings

The impact of direct selling method F2C on farmers and acceptance from farmers these observation and interpretation finding are mentions below. The points stated below prove the influence of direct method F2C on the farmer’s attitude towards the modern retail market and direct-to-consumer selling approach.

1. There is a strong perception among the producers that the daily sale system of agricultural produce is permanent and the only available system of sale.
2. Farmers do not know a different method of sales planning after agricultural production till date and only if the major role of farmer welfare organization or farmer Producer Company should be created in favour of the farmers to reach the retail market or directly to the consumers, the farmers will have faith in this new sales system.
3. Farmers adopting improved farm management try F2C marketing system but it is clearly observed that due to isolated effort, lack of business approach and lack of experience in marketing system, continuity of individual farmer marketing system is not sustained.
4. Different types of agricultural production can be seen in each different farm sector, so different efforts are expected to be made through farmer groups for each production purpose.
5. Direct consumer or retail market sales planning is expected to be done entirely through collective effort by the farmer and there is no other suitable option for integration than a farmer company.
6. Mainly the farmer is the main factor in the creation of a farmer company. It is necessary to strongly convey the information to farmers as members that farmers are made shareholders for company formation and in return equal distribution of profits is intended, only then will farmers come together for the formation of a new company.
7. It is necessary to keep the plans made by farmers' companies which work directly with the farmer's objective in front of the farmers' members. The saleable agricultural produce will always come from the farmer members, so it is necessary for the company to keep the interests of the farmers in front of its main responsibility.
8. The main reason why produce directly from farmers is still considered to be quality is because the produce is taken by farmers for their own consumption, so quality is expected to be the only criterion for every product when farmers market their products.
9. Some things were highlighted at the end of the survey, only due to the lack of proper guidance, farmers today have not been seen to maintain sales related work for a long time by taking an individual role, and the farmers are made to come together to do some beneficial things from the ground of cooperation, on one condition, which is the security of work.
10. It is necessary to plan the plan for the fulfilment of the same objective as the main basis of which the company is established, keeping in front of the farmer, all the responsibility from producer to sale is expected to remain with the company as a producer company.
11. There is no universal method of direct-to-consumer or retail market sales, so the time-efficient method is not available today, so the farmer companies have to develop the time-efficient method. There should be no mechanism for taking granted government schemes or direct emphasis on self-financing rather than direct reliance on government schemes.

6. Conclusion

As per the Indian population Report Average age of Indian is 28 years in 2023 compare with that according to Bloomberg report that reference data from centre for monitoring Indian Economy (CMIE) the overall unemployment rate in India is 7.95 percent as of July 2023 with references that Agriculture sector in India has saw around 148 million employees in F.Y 2023. It means 43.96% of the workforces were employed in agriculture in 2021. As per report on price policy for kharif crops of 1990-91 seasons by commission for agriculture costs and prices heading by Chairman Prof. S.S. Johi had noted the rate of Jawar was 180 and Soybean had 400 rupees per quintal in 1990-91. Comparatively in 2022-23 soybean prices are 6150 and Jawar 2970 per quintal, it means prices of agricultural commodity has increased by 15 to 17 times only.

Correspondingly, the 7th pay commission in 2016 alone saw a 14.27 times increase in the average government employee's salary. In 1947, the lowest government salary was Rs.55 per month and 7000 per month as the lowest pay after the 6th Pay Commission, a 147 times increase in the lowest pay category is easily seen. The importance of objective information is that the agricultural price policy has not seen the expected improvements

for a long time. On the other hand, it can be seen that the opportunities for productive development to the farmers have become available to a large extent after the 1990s period. But new opportunities based on sales arrangements will continue to be seen as in traditional form only, these sales arrangements continue to focus on the profit of the members of sales chain, but the productive farmers as an important factor seem to remain neglected. But entering the retail market directly or trying to get the product to the end of the distribution system i.e. to the consumer is expected to make up for the shortfall in producer profits from the previous year. It is evident that technical support can be provided through the producer company to maintain such a system in production or running condition. In this, there is an expected change in the mentality of the farmers and along with this, there is a need to make such efforts directly from the farmers group itself, along with this, special efforts are expected to be made in a collective form to maintain the special identity of produce in the market.

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