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Empowering Small Farmers: A Case Study Of Rajarajachozhan Farmer Producer Company Limited In The Cauvery Delta Region

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ABSTRACT

This case study delves into the transformative role of Farmer Producer Organisations (FPOs) in addressing the challenges faced by small and marginal farmers, with a specific focus on the Rajarajachozhan Farmer Producer Company Limited (RRCFPCL) in the Cauvery Delta region of India. Despite being the backbone of Indian agriculture, small and marginal farmers often struggle with poverty, limited access to resources, and vulnerability to market fluctuations. The emergence of FPOs as a pivotal concept has provided a ray of hope, offering pre-harvest services, capacity-building initiatives, and market access to farmers. Through an analysis of RRCFPCL's establishment, operational strategies, and collaborations with governmental and non-governmental entities, this paper highlights its key achievements, including market tie-ups, procurement agreements, and diversification into value-added products. Moreover, it discusses the tangible impacts of RRCFPCL among farmers, such as assured pricing and increased membership. Ultimately, the findings underscore the critical role of RRCFPCL in empowering small farmers, enhancing their livelihoods, and fostering resilience in the face of agricultural adversities.

KEYWORDS: FPO, Small and marginal farmers, RRCFPCL, Market Access, Capacity-building.

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1. INTRODUCTION

The agricultural landscape in India is predominantly characterized by small and marginal farmers who, despite their significant contribution to the sector, often grapple with poverty and lack of access to resources. In response to these challenges, Farmer Producer Organisations (FPOs) have emerged as key entities to empower farmers, particularly those belonging to the marginalized segments of society. This paper delves into the transformative role played by FPOs, with a specific focus on the Rajarajachozhan Farmer Producer Company Limited (RRCFPCL) operating in the Cauvery Delta region. By providing essential pre-harvest services, capacity-building initiatives, and facilitating market access, FPOs like RRCFPCL have become instrumental in addressing the multifaceted challenges faced by small and marginal farmers.

2. BACKGROUND

The agricultural census data underscores the predominance of small and marginal farmers in India, who comprise most of the country's cultivators. According to the agricultural census of 2015-2016, there are approximately 146.45 million farmers in India. These farmers are categorized based on the size of their landholdings into marginal farmers (below 1 hectare), small farmers (1-2 hectares), semi-medium farmers (2-4 hectares), medium farmers (4-10 hectares), and large farmers (above 10 hectares). Notably,

small and marginal holdings have surged to 86.08% of all agricultural holdings, highlighting their significant presence in the sector. In contrast, semi-medium and medium holdings account for only 13.35%, while large holdings represent a mere 0.57%. The distribution of holdings over the years is illustrated in Figure 1.

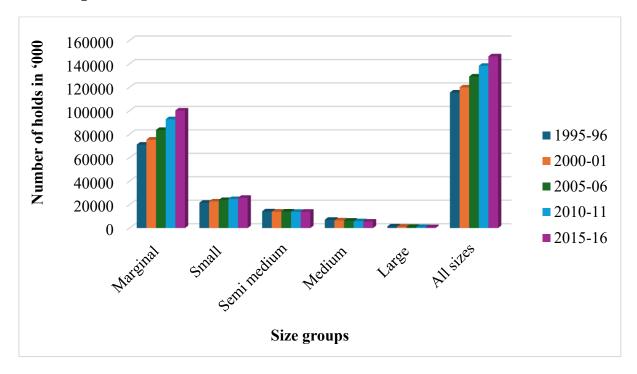


Figure 1: Agriculture Census 2015-16

Despite their numerical strength, small and marginal farmers are often beset by poverty and face numerous challenges, including limited access to resources and market vulnerabilities. These challenges have contributed to a distressing rise in agricultural suicides among this demographic. To address these issues, the FPOs concept has emerged as a strategic response to consolidate farmers' efforts, enhance their bargaining power, and promote sustainable agricultural practices.

FPOs provide a range of pre-harvest services such as community irrigation facilities, crop selection guidance, crop diversification, soil testing, micronutrients, seeds, fertilizers, and pesticide distribution. They also offer capacity-building services, including training on modern agricultural practices, production techniques, community leadership programs, and services like credit, agricultural advisory, technology, value addition, and market access. Only farmers are eligible to become members of FPOs, and the members of FPOs contribute Rs.1000 as a share capital.

The government has recognized the importance of FPOs, incorporating special provisions for their promotion and development in centrally sponsored schemes under the Department of Agriculture and Cooperation (DAC) during the 12th Plan. The Small Farmers' Agribusiness Consortium (SFAC) addresses the challenges marginal and small farmers face regarding investment, technology, and market access. By coordinating with state governments, civil society, the private sector, financial institutions, and other stakeholders, SFAC enhances the productivity and sustainability of small and marginal farmers. The National Bank for Agriculture and Rural Development (NABARD) also supports FPOs through the Producer Organisation Development Fund (PODF), providing necessary financial assistance.

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Against this backdrop, establishing various FPOs across multiple districts marks a significant step towards empowering small farmers, highlighting the transformative potential of FPOs in reshaping India's agricultural landscape, as shown in Figure 2.

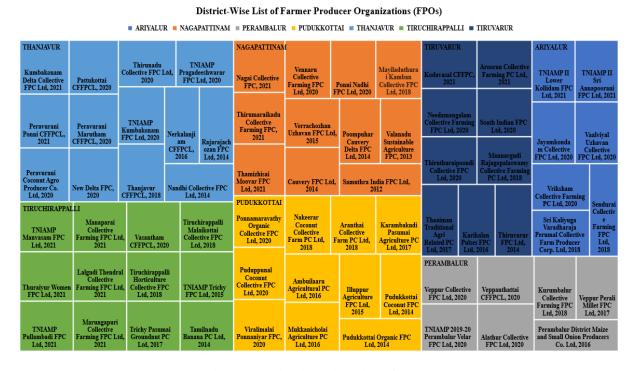


Figure 2: District-wise List of FPOs

Amidst the proliferation of FPOs across various districts, the RRCFPCL emerges as a pivotal player in empowering small and marginal farmers in the Cauvery Delta region. RRCFPCL's strategic establishment and effective operational strategies have addressed farmers' multifaceted challenges and paved the way for sustainable socio-economic development. RRCFPCL is an exemplary model of how FPOs can catalyze positive change within agricultural communities by providing essential services, forging market tie-ups, and fostering community engagement. Established to address the multifaceted challenges these farmers face, RRCFPCL has played a pivotal role in enhancing their livelihoods and fostering socio-economic development. RRCFPCL helps farmers overcome barriers to productivity and profitability by providing essential services and facilitating market access.

3. ORGANIZATIONAL STRUCTURE AND DECISION-MAKING

RRCFPCL operates within a structured organizational framework comprising a board of directors responsible for decision-making and strategic planning. The board, comprising individuals with diverse expertise and experience, plays a pivotal role in mobilizing farmers, fostering partnerships, and ensuring the effective implementation of initiatives to enhance farmers' welfare. Moreover, RRCFPCL's organizational structure facilitates participatory decision-making processes, ensuring that the interests and concerns of farmers are adequately represented and addressed.

4. ACTIVITIES AND CONTRIBUTIONS

ISSN 2231-6752

RRCFPCL engages in many activities to empower farmers, enhance their productivity, and facilitate market access. These activities include providing pre-harvest services, capacity-building initiatives, market linkages, and value addition. RRCFPCL has expanded its outreach, procured essential inputs at reasonable prices, and provided farmers access to lucrative markets by forging strategic partnerships with governmental and non-governmental entities. Furthermore, RRCFPCL's initiatives have led to tangible contributions, including increased farm incomes, assured pricing, and improved access to resources and technologies.

5. CAPITAL ACCESS AND LEGAL FRAMEWORK

Access to capital and a conducive legal framework are essential prerequisites for the effective functioning of FPOs like RRCFPCL. RRCFPCL has mobilized capital through various means, including contributions from its farmer members, financial support from governmental agencies, and partnerships with financial institutions. Additionally, RRCFPCL operates within the legal framework prescribed by the government, adhering to the regulatory requirements and guidelines stipulated for FPOs. It enables RRCFPCL to operate with transparency, accountability, and legitimacy, fostering trust among its stakeholders and facilitating its socio-economic impact.

The performance and constraints faced by FPOs in India have been a subject of scholarly inquiry. **Kumar et al. (2023)** examined India's FPO performance determinants and constraints. Surveying 125 FPOs across several states, they found that FPOs primarily focus on input supply and produce aggregation. The study revealed that FPOs engaged in more entrepreneurial activities achieve higher turnovers and profits. Key determinants of FPO performance identified through regression analysis include membership numbers, board size, and years of existence. The authors emphasized the importance of increasing paid-up capital to enhance turnover and recommended easing access to capital and working capital loans to address capital constraints faced by FPOs.

Similarly, **Gorai et al. (2022)** conducted a study in West Bengal to evaluate the stability of FPOs and the factors influencing their stability. Data collected from 120 farmer members across ten FPOs in four districts revealed that stability was measured through mutual trust, role clarity, member involvement, satisfaction, attachment, conviction, and ownership. The study identified significant differences in stability index scores between high and low-performing FPOs, particularly in dimensions such as member satisfaction, mutual trust, role clarity, attachment, and conviction. Member attitude and cooperation were significant contributors to stability in high-performing FPOs. In contrast, attitude towards the FPO, assimilation, and competition were identified as reliable predictors for stability in low-performing FPOs.

Krishnan et al. (2021) proposed a study focusing on collaborative innovation and sustainability within the food supply chain, specifically examining Indian FPOs. They highlighted the increasing adoption of innovations as vital for the survival and success of firms, emphasizing collaborative processes involving various stakeholders in supply chain relationships. The study recognized inefficient practices such as improper crop selection and food waste, underscoring the need for innovative solutions to enhance the sustainability of the food supply chain. Through the lens of the Supply Chain Operations Reference (SCOR) model, the authors analyzed FPOs across different supply chain levels, revealing that collaboration among FPO entities fosters innovative practices, resulting in economic, environmental, and social benefits for the FPOs. It underscores the significance of collaborative innovation in driving sustainability within the food supply chain.

ISSN 2231-6752

Furthermore, **Chauhan et al. (2021)** conducted a study to identify the constraints associated with the functioning of FPOs to develop coping strategies for smooth organizational operations. The research, conducted in various blocks of Cooch Behar district in West Bengal, employed purposive and random sampling techniques for selecting areas and respondents. Data collection involved structured interviews using a pre-tested questionnaire. Through the Rank Based Quotient (RBQ) method, the study categorized constraints into technical, labor and economic, marketing, and organizational constraints. This investigation sheds light on the challenges faced by FPOs and provides a foundation for addressing them effectively to enhance their operational efficiency and effectiveness.

Moreover, **Adhikari et al. (2021)** investigated the perceived impact of FPOs on sustainable economic development in the Cooch Behar district of West Bengal, India. Small and marginal farmers, constituting a significant percentage of the agricultural sector, often struggle to benefit from economies of scale due to their limited individual production capacity and the involvement of multiple intermediaries in the supply chain, resulting in low returns. FPOs serve as a solution by pooling resources and facilitating profit-sharing among members. Using multistage, purposive, and random sampling techniques, the study assessed the impact of FPOs through structured interviews. Results indicated that most respondents perceived a medium level of impact, with a notable proportion reporting a positive increase in impact percentage. It underscores the potential of FPOs in enhancing economic development and the need for further support and promotion of such initiatives to benefit small-scale farmers and promote sustainable agricultural practices.

These studies contribute to the existing literature on FPOs, offering valuable insights into their performance, challenges, impact, and potential for fostering sustainable agricultural development. Through a comprehensive review of these studies, this paper seeks to contextualize the findings within the specific framework of Rajarajachozhan Farmer Producer Company Limited and its operations in the Cauvery Delta region.

6. OBJECTIVES OF THE STUDY

- To examine the core functions, offerings, and significant achievements of RRCFPCL within the Cauvery Delta area.
- To evaluate how RRCFPCL influences farmers' livelihoods and agricultural methods.

7. METHODOLOGY

The study was conducted to comprehensively understand the operations, achievements, and challenges faced by the RRCFPCL in the Thanjavur District of Tamil Nadu, India. The research methodology involved a combination of qualitative and quantitative approaches, including data collection, analysis, and interpretation. Data for this study was collected from various sources, including primary and secondary sources. Primary data was obtained through structured interviews, surveys, and direct observations conducted with key stakeholders, including RRCFPCL officials, shareholders, and farmers associated with the company. Secondary data was gathered from company reports, government publications, academic journals, and online databases.

About RRCFPCL:

RRCFPCL, founded in 2014, is a private company in Thanjavur District focusing on sustainable agriculture. It aims to elevate small farmers' income through organized groups and strategic alliances.

Despite challenges, it has secured agreements with the National Agricultural Cooperative Marketing Federation of India (NAFED) for market support and established retail outlets for agricultural produce, contributing to the region's socio-economic development. Key details of the company are summarized in Table 1.

Company/ LLP Name Rajaraja Chozhan Farmers Producer Company Ltd U01409TN2014PTC097586 CIN ROC RoC - Chennai 097586 Registration Number **Company Category** Company limited by Shares Company sub-category Non- Govt company **Class of Company** Private 2,500,000 **Authorized Capital** Paid up Capital 2,066,000 **Date of Incorporation** 07/10/2014 Date of last Annual General Meeting 30/10/2020 **Date of Balance sheet** 31/03/2020 Company status Active **Board of Directors** Seven Directors Mobilizing farmers to enroll as shareholders **Board Involvement** Adoption by Agri Dept Adopted by Dept. of Agri Marketing and Agri-Business, Thanjavur in 2014 **Empanelment by CIKS** Empanelled as a resource institution by the

Table 1: Company Information for Rajaraja Chozhan Farmers Producer Company Ltd

Vision and Mission:

RRCFPCL has a clear vision to uplift small farmers in Thanjavur District through sustainable agricultural practices. Their vision is centred on increasing the income levels of these farmers, while their mission revolves around reducing cultivation costs, boosting production, and ensuring market support for the farmers.

Centre for Indian Knowledge Systems (CIKS) in April 2015

Formation and Shareholder Profile:

Established on October 7, 2014, RRCFPCL has evolved as a vital entity in Thanjavur District, primarily focusing on uplifting small-scale farmers. RRCFPCL, along with the Department of Agri Marketing, has successfully improved the quality of life for farmers through various initiatives. The shareholders are organized into Farmer Interest Groups (FIGs), which have seen progress individually and as collectives. Recognizing the need for a unified system and legal structure, RRCFPCL aims to enhance growth and bargaining power in the agricultural value chain. With a diverse membership comprising men and women, the company currently has over 1,033 members organized into 50 FIG groups. Each group has an average of 15 to 20 members, and plans are to recruit more farmers and primary producers, targeting a total membership of 1,500. These shareholders actively contribute to the company's vision of enhancing income through sustainable agricultural practices, thus fostering regional socio-economic development.

Major Activities and Services:

RRCFPCL engages in various significant activities to foster agricultural development and improve its members' livelihoods. These activities encompass various agricultural production, marketing, and value addition facets. RRCFPCL facilitates the procurement of agricultural inputs, including seeds and machinery, and supports farmers throughout the cultivation process. Additionally, the company ensures

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market linkages for its members, forging agreements with entities such as NAFED and Jasmine Enterprise to secure assured markets for agricultural produce. Through initiatives like retail outlets and value-added product manufacturing units, RRCFPCL adds value to agricultural commodities, thereby enhancing profitability for its members. Furthermore, the company implements schemes such as the TNIAMP Scheme to promote technological advancements in agriculture, exemplified by installing oil extraction and masala powder-making units. Overall, RRCFPCL's diverse range of activities and services underscores its commitment to driving agricultural growth and prosperity in the region.

Labor Facilitation:

RRCFPCL prioritizes labour facilitation as a cornerstone of its operational ethos, recognizing the pivotal role of labour in agricultural production. The company actively engages in initiatives to enhance labour productivity, welfare, and skill development among its workforce. RRCFPCL empowers labourers with the knowledge and skills to optimize agricultural practices and maximize yields through training programs, capacity-building workshops, and skill enhancement initiatives. Moreover, the company implements fair labour practices, ensuring equitable wages, safe working conditions, and adherence to labour regulations. By fostering a conducive work environment and investing in the professional development of its labour force, RRCFPCL enhances agricultural productivity and contributes to the socio-economic well-being of labourers and their communities.

Agri Produce Marketing:

RRCFPCL emphasizes effective marketing strategies to ensure the successful promotion and sale of agricultural produce. Leveraging its extensive network and market insights, RRCFPCL actively engages in market research, identifying lucrative opportunities and consumer preferences to tailor its marketing efforts accordingly. The company establishes strategic partnerships with various stakeholders along the agricultural value chain, including wholesalers, retailers, and processors, to facilitate seamless market access for its members. RRCFPCL establishes market linkages for farmers, ensuring fair prices and market access for their agricultural produce. It engages in agreements with government agencies and private enterprises to facilitate the sale of farm products. Through initiatives such as branding, packaging, and quality control measures, RRCFPCL enhances its agricultural products' marketability and value proposition, securing competitive prices and maximizing returns for its members. Additionally, the company leverages digital platforms and e-commerce channels to expand market reach and optimize sales channels. RRCFPCL is pivotal in empowering farmers and driving regional agricultural prosperity by prioritizing innovation and adaptability in its marketing strategies.

Value Added Product:

RRCFPCL strongly emphasizes value addition, recognizing the potential to increase farmers' income and enhance the overall value chain. The company implements various value-added initiatives, including processing agricultural produce into higher-value products such as oil extraction, masala powder, and papad. By engaging in these activities, RRCFPCL adds value to raw agricultural commodities and diversifies revenue streams for its members. Through efficient processing techniques and quality control measures, the company ensures the production of premium-quality products that command competitive prices in the market. This strategic focus on value addition not only contributes to the economic prosperity of farmers but also strengthens the sustainability of the agricultural sector by promoting innovation and enhancing the resilience of the value chain.

Input and Outlet Shops:

ISSN 2231-6752

RRCFPCL operates a network of input and outlet shops strategically positioned to provide farmers with convenient access to essential agricultural inputs and facilitate the sale of agricultural produce and value-added products. These shops serve as one-stop destinations for farmers, offering various quality seeds, fertilizers, pesticides, and other agricultural inputs at reasonable prices. By ensuring the availability of these inputs, RRCFPCL empowers farmers to optimize their cultivation practices and enhance agricultural productivity. Additionally, the outlet shops function as retail hubs for selling agricultural produce and value-added products processed by the company. Through these initiatives, RRCFPCL not only strengthens the agricultural value chain but also fosters economic opportunities for farmers, contributing to the overall development and sustainability of the agricultural sector in the region.

Skill Development:

RRCFPCL prioritizes the professional development of farmers through comprehensive skill development programs aimed at enhancing their agricultural knowledge, practices, and techniques. These programs encompass various topics, including modern farming methods, sustainable agricultural practices, and technological innovations. RRCFPCL empowers farmers to adopt advanced techniques and technologies, improving agriculture productivity, efficiency, and sustainability by providing training and capacity-building opportunities. Through hands-on training, workshops, and demonstrations, the company equips farmers with the necessary skills and expertise to navigate challenges and capitalize on opportunities in the agricultural sector. By fostering a culture of continuous learning and innovation, RRCFPCL plays a pivotal role in enhancing the resilience and competitiveness of farmers, ultimately contributing to the long-term prosperity and sustainability of agriculture in the region.

Drip Irrigation and Government Schemes:

RRCFPCL actively promotes the adoption of drip irrigation systems among farmers and facilitates their access to various government schemes to support agricultural development. Recognizing the importance of water conservation and efficient irrigation practices, RRCFPCL encourages farmers to embrace drip irrigation technology through awareness campaigns and training programs. Additionally, the company assists farmers in accessing government subsidies, grants, and incentives available for implementing drip irrigation systems and adopting best agricultural practices. By leveraging these government schemes, RRCFPCL enhances the sustainability of agricultural practices and empowers farmers to optimize water usage, increase crop yields, and improve overall farm profitability. Through its proactive approach in promoting drip irrigation and facilitating government support, RRCFPCL contributes to advancing agriculture while fostering the socio-economic well-being of farmers in the region.

Major Activities:

RRCFPCL has undertaken various significant activities in its journey towards agricultural development and farmer empowerment. These activities include mobilizing farmers into organized groups, facilitating their involvement as shareholders, and establishing market linkages to ensure fair prices and market access for agricultural produce. Additionally, RRCFPCL has focused on value addition by processing agricultural commodities into higher-value products such as oil extraction, masala powder making, and papad making, thereby enhancing farmers' income and strengthening the overall value chain. Furthermore, the company operates input and outlet shops to provide farmers access to quality agricultural inputs and retail outlets for selling produce and value-added products. RRCFPCL also conducts skill development programs to enhance farmers' agricultural knowledge and practices while promoting drip irrigation and facilitating access to government schemes to support farmers. Through

these initiatives, RRCFPCL continues to play a pivotal role in driving the region's agricultural growth, sustainability, and socio-economic development. In addition to these efforts, RRCFPCL is actively providing Input Supply Services by supplying seeds, fertilizers, machinery, etc., at reasonable prices to farmers in Cauvery Delta Districts. The company is also dedicated to Enhancing Productivity and Profitability by working to increase the productivity and profitability of small and marginal farmers. Moreover, RRCFPCL is committed to Providing Marketing and Technical Services by offering marketing support, including procurement under minimum support price, contract farming, and technical services. Furthermore, RRCFPCL is dedicated to Disseminating Information by sharing information about new seeds, fertilizers, policies, insurance, etc., to farmers, thus ensuring comprehensive support for the agricultural community in the region.

Key Achievements of RRCFPCL

RRCFPCL, through strategic market agreements, tie-ups, and innovative initiatives, has significantly impacted the agricultural landscape. Here's a glimpse into their noteworthy accomplishments spanning market expansions, sales achievements, and transformative impacts on farmer communities.

- Market Agreements and MOUs: In August 2016, RRCFPCL signed a Memorandum of Understanding (MOU) with the NAFED, securing an assured market for their produce. As a result, 118 tonnes of black gram were procured under this agreement in 2017-2018.
- **Market Tie-Ups and Sales:** A significant market tie-up was established with Jasmine Enterprise in Chennai for the sale of black gram in February 2017. 2016-2017, the company sold 277 tonnes, achieving a turnover of Rs. 3.4 crores, benefiting 350 farmers. Additionally, input shops were opened at Ammapettai and Thozhavanniyan Kudikadu.
- **Sales of Seeds and Sugarcane:** RRCFPCL sold 55 tonnes of paddy seeds and 112,000 sets of sugarcane from June to September 2016, generating a turnover of Rs. 50.30 lakhs.
- **Retail Operations and Product Diversification:** The company started retail sales of processed black gram and expanded to include green gram, thoor dhal, and other items. This initiative provided a new revenue stream and gained consumer confidence. A retail outlet was established in Ammapettai to sell pulses, organic food items, and vegetables.
- **Infrastructure and Processing Units**: With assistance from the TNIAMP, the company installed an oil extraction unit, masala powder-making unit, and papad-making unit in Ammapettai.

Impacts of RRCFPCL Among Farmers

RRCFPCL is pivotal in empowering smallholder farmers by enabling their participation in high-value markets. In the face of challenges posed by liberalization, privatization, and the rising influence of private capital in agribusiness, the company offers a model of organization and collective action that strengthens farmers' market competitiveness.

By ensuring fair pricing and accurate weighing of harvested produce, RRCFPCL has made a substantial impact on its shareholders. This reliability and transparency have increased membership and trust in the company. The company's efforts in value chain governance and collective action provide a sustainable framework for small farmers to thrive in a competitive market environment.

8. RESULTS AND DISCUSSION

This section presents the key findings and discussions derived from the data analysis of RRFPCL. The results offer insights into the profile characteristics of farmers, their engagement with the RRFPCL, modes of payment receipt, purchasing patterns, income, expenditure, and challenges the organization faces. Subsequent discussions explore the implications of these findings, emphasizing the role of RRFPCLs in empowering small and marginal farmers and addressing agricultural challenges.

Profile Characteristics of Farmers from RRFPCL:

The profile characteristics of farmers associated with RRFPCL offer valuable insights into the demographic composition and socio-economic status of the agricultural community in the region. The data collected provides a comprehensive overview of various demographic factors, including gender distribution, types of households, occupational status, and family structures among the surveyed farmers.

Table 2 provides an overview of the demographic profile of farmers associated with RRFPCL. The data reveals insights into the gender distribution, types of households, occupational status, and family structures among the surveyed farmers.

Profile characteristics	Category	Frequency	Percentage
	Male	39	95.1
Gender	Female	2	4.9
	Total	41	100
Type of house	Concrete	11	26.8
	Tiled	29	70.7
	Hut	1	2.4
	Total	41	100
Occupation	Farming only	39	95.1
	Farming and business	2	4.9
	Total	41	100
Type of family	Joint	5	12.2
	Nuclear	36	87.8
	Total	41	100

Table 2: Profile characteristics of farmers from RRFPCL

As depicted in Table 2, most respondents identify as male, with 95.1% representation, while only 4.9% are female. Furthermore, the data indicates that most farmers reside in tiled houses (70.7%), followed by those in concrete houses (26.8%) and huts (2.4%). Regarding occupation, a significant portion (95.1%) is solely engaged in farming, with a smaller percentage (4.9%) involved in farming and business activities. Regarding family structure, most belong to nuclear families (87.8%), with a smaller proportion in joint families (12.2%).

These findings underscore the predominantly agricultural nature of the community and highlight gender disparities in agricultural participation, suggesting the need for initiatives to promote gender equity and support women's engagement in farming activities.

Engagement with RRFPCL:

The level of engagement between farmers and RRFPCL is crucial for understanding the dynamics of their relationship and the RRFPCL's efficacy in serving its members' needs. The data collected provides insights into the frequency of farmers' supply of agricultural produce to RRFPCL, shedding light on the

extent of their involvement with the organization. The frequency of supply of agricultural produce to RRFPCL among surveyed farmers is depicted in Table 3. This table presents valuable information regarding the regularity and consistency of farmers' engagement with the RRFPCL.

Figure 3 illustrates the frequency at which surveyed farmers supply agricultural produce to RRFPCL through a bar chart representation. This visual depiction offers insights into the frequency of agricultural produce supplied by farmers to RRFPCL, showcasing their engagement patterns and volume of transactions.

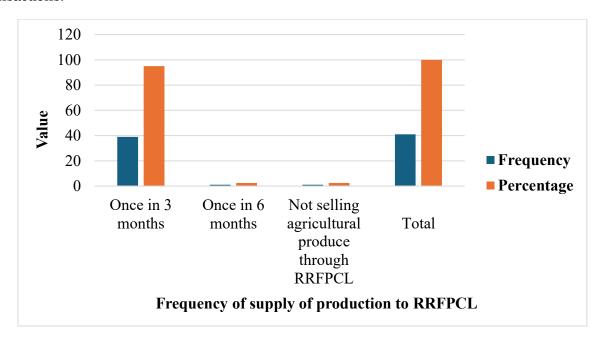


Figure 3: Frequency of Supply of Production to RRFPCL

As illustrated in Figure 3, most surveyed farmers (95.1%) supply their produce to RRFPCL once every three months, indicating a regular and consistent partnership with the RRFPCL. Additionally, a small percentage (2.4%) supply their produce once every six months, while another 2.4% do not sell their agricultural produce through RRFPCL. These findings suggest a high level of trust and reliance on the services provided by the RRFPCL among the farming community.

The consistent supply of agricultural produce to RRFPCL reflects the effectiveness of the RRFPCL in serving as a reliable market outlet for farmers, thereby contributing to their economic stability and enhancing their livelihoods. Furthermore, it highlights the importance of fostering strong relationships and communication channels between farmers and the RRFPCL to ensure mutual benefit and sustainable agricultural development.

Modes of Payment Receipt from RRFPCL:

Understanding how farmers receive payment from RRFPCL is essential for assessing the organization's financial transactions and liquidity management. The data collected provides insights into the various payment receipt modes among surveyed farmers, shedding light on the efficiency and effectiveness of RRFPCL in compensating its members for their agricultural produce. Table 3 presents an overview of the modes of payment receipt from RRFPCL among surveyed farmers, highlighting the distribution and preferences regarding payment methods.

Table 3: Modes of Payment Receipt from RRFPCL

Mode of receipt of payment		Category	Frequency	Percentage
		Immediately after procurement	27	65.9
		Immediately after sale	12	29.3
		Weekly	1	2.4
		Not received	1	2.4
		Total	41	100

As depicted in Table 3, most surveyed farmers (65.9%) report receiving payments immediately after procurement. It indicates a prompt and efficient compensation process, ensuring financial liquidity and effective expense management for farmers. Additionally, a considerable proportion (29.3%) receive payment immediately after the sale of produce, further enhancing their economic stability and cash flow. One farmer (2.4%) reports receiving payments weekly, providing a structured and regular income stream. However, a small percentage (2.4%) report not receiving payment from RRFPCL, suggesting potential challenges or discrepancies in financial transactions that warrant further investigation.

The data underscores RRFPCL's commitment to timely compensation and financial transparency, positively impacting farmers' economic well-being and fostering trust and confidence in the organization. Moreover, it highlights the importance of efficient payment mechanisms and financial management practices within FPCs to ensure the smooth functioning of agricultural value chains and the equitable distribution of benefits among stakeholders.

Purchasing Patterns:

The purchasing patterns of farmers associated with RRFPCL provide critical insights into their procurement habits and preferences for agricultural inputs. Understanding these patterns helps assess the role of RRFPCL in meeting the input needs of its members and the extent to which farmers rely on the RRFPCL compared to other sources. Table 5 presents the distribution of farmers based on where they purchase agricultural products, offering a comprehensive view of their purchasing behaviour.

Table 4: Place of Purchase of Agricultural Products from RRFPCL

Place of purchase of agricultural products	Category	Frequency	Percentage
	Private shops	1	2.4
	RRFPCL	1	2.4
	RRFPCL and private shops	39	95.1
	Total	41	100

As depicted in Table 4, most farmers (95.1%) purchase their agricultural products from RRFPCL and private shops. It indicates a diversified approach to sourcing agricultural inputs, where farmers utilize the offerings of both the RRFPCL and local private vendors. This dual-sourcing strategy likely provides farmers with a broader range of options, competitive pricing, and the ability to access necessary products when needed. Only a small percentage of farmers (2.4%) exclusively purchase from private shops and an equal percentage (2.4%) purchase exclusively from RRFPCL. It suggests that while RRFPCL plays a significant role in the procurement process, it complements rather than completely replaces private vendors. The preference for using both sources may be driven by product availability, pricing, quality, and the relationships farmers have with their suppliers.

These purchasing patterns highlight the importance of RRFPCL in providing essential agricultural inputs and supporting the farming community. The significant reliance on both RRFPCL and private shops underscores the need for the RRFPCL to continuously improve its offerings, ensure competitive

pricing, and maintain high-quality standards to remain a preferred source for farmers. Additionally, understanding these patterns can help RRFPCL tailor its services and inventory management to meet its members' diverse needs better, enhancing its role as a key facilitator in the agricultural value chain.

Income and Expenditure:

The financial analysis of income and expenditure patterns among farmers associated with RRFPCL underscores the significant economic advantages of membership in the RRFPCL. This section highlights how RRFPCL enhances its members' financial stability and economic well-being by providing consistent income opportunities and support for managing expenses.

Table 5: Descriptive Statistics of Annual Income of Farmers from RRFPCL

Туре	Annual income on the farm	Annual income from farm	Total annual income
Average	82,682.93	19,268.29	1,01,951.22
Standard Deviation	-19,496.72	-53,590.59	-56,423.37

In table 5, the descriptive statistics of annual income among farmers from Rajaraja Cholan Farmer Producer Company Limited (FPC) reveal key insights. On-farm income averages at Rs. 82,682.93 (SD=Rs. 19496.72), while off-farm income averages Rs. 19,268.29 (SD=Rs. 53590.59). The total annual income, combining on and off-farm earnings, averages Rs. 1,01,951.22 (SD=Rs. 56423.37). The substantial standard deviations indicate notable variability in income levels. This data underscores the importance of considering both on and off-farm income sources when assessing the economic landscape of farmers in Rajaraja Cholan FPC.

The expenditure data in Table 6 the descriptive statistics of farmers' expenditures from Rajaraja Cholan Farmer Producer Company Limited reveal notable patterns. On average, agricultural inputs expenditure stands at Rs. 51,268.29 (SD=Rs. 10,466.67), indicating a consistent investment in farming essentials. Medical expenses average Rs. 646.34 (SD=Rs. 1,432.85), highlighting a considerable range and potential financial strain. Educational expenses average Rs. 2,195.12 (SD=Rs. 5,292.54), reflecting a commitment to education. Other expenses average Rs. 5,092.68 (SD=Rs. 1,672.54), indicating diverse spending patterns. Debt amount averages Rs. 7,47,804.88 (SD=Rs. 24,884.26), suggesting a substantial financial burden. This data underscores the multifaceted nature of farmers' expenditures, emphasizing the need for targeted support and financial management strategies in Rajaraja cholan FPC.

Table 6: Descriptive Statistics of Expenditure of Farmers from RRFPCL

Туре	Purchase of Agricultural inputs	Medical expenses	Educational expenses	Other expenses	Debt amount
Average	51,268.29	646.34	2,195.12	5,092.68	7,47,804.88
Standard Deviation	10,466.67	1,432.85	5,292.54	1,672.93	24,884.26

The income and expenditure patterns of RRFPCL members indicate the financial benefits of being part of the FPC. RRFPCL is crucial in enhancing its members' economic stability and well-being by providing consistent income opportunities, fair pricing, and access to high-quality inputs. The support systems for managing expenses and debt further underline the FPC's commitment to fostering a resilient and prosperous farming community.

Overall, the findings underscore the pivotal role of FPOs like RRFPCL in empowering small and marginal farmers. By providing essential services, facilitating market access, and fostering financial

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stability, FPOs contribute significantly to enhancing the livelihoods and resilience of agricultural communities.

9. CONCLUSION

This case study of RRCFPCL in the Cauvery Delta region illuminates the transformative potential of FPOs in empowering small and marginal farmers. RRCFPCL has significantly enhanced their socioeconomic status and resilience by addressing these farmers' multifaceted challenges. The analysis reveals several key achievements of RRCFPCL, including effective market tie-ups, procurement agreements, and diversification into value-added products. Engagement with RRCFPCL has been notably high, with most farmers consistently supplying their produce to the RRFPCL, reflecting a strong, trust-based relationship. The efficient and timely payment mechanisms employed by RRCFPCL have further reinforced this trust, ensuring financial liquidity and stability for the farmers. Despite these successes, RRCFPCL faces several significant challenges, including competitive market pressures from large farmers, logistical issues during the harvesting period, and insufficient funding. Addressing these challenges will require innovative marketing strategies, improved logistical solutions, securing adequate funding, promoting gender equity, and continuous capacity-building programs. Overall, the findings underscore the pivotal role of RRCFPCL in enhancing the livelihoods and resilience of small and marginal farmers. The success of RRCFPCL serves as a model for similar organizations, and with a strategic focus on overcoming identified challenges, it can continue to advance its mission and further improve the well-being of its members.

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