



Farmer Producer Organizations in Coconut Sector: Status and strategies for sustainability

Thamban, C¹.Lijo Thomas², and Jayasekhar, S¹.

¹ICAR Central Plantation Crop Research Institute, Kasaragod

²ICAR Indian Institute of Spices Research, Kozhikode

A Producer Organisation (PO) is defined as a legal entity formed by primary producers. The major share of producer organizations across the globe involves members drawn from farmers, milk producers, fishermen, artisans, etc. The producer organization can be organised and structured as associations, societies, cooperatives, farmers’ groups, unions, federations, or even firms. They exist to promote the interests of farmers and to work for their economic and social benefit. Most producer organisations provide services that directly or indirectly support agricultural production (Rondot and Collion 2001, Bijman and Wollni 2008).

A PO can be a producer company, a cooperative society or any other legal form which provides for sharing of benefits among the members. Farmer Producer companies form a sub-sect of producer companies, where the members are farmers. The legal sanctity of these organizations and their institutional acceptability vary widely across the

nations. However, the evidences for beneficial nature of these farmer producer organizations are now widely accepted among policy makers and farmer members alike.

The name Farmer Producer Company is an accepted nomenclature in India denoting a producer organization usually involved in agricultural production, processing and marketing. The terms used to designate closely related institutions and farmer collectives vary across the countries. Farmer Based Organizations (FBO), Community Based Organizations (CBO), Farmer Collectives (FC), Farmer Producer Companies (FPC) and Farmer Cooperatives (FC) are some of the names which are commonly used. Whatever be the nomenclature, essentially, the FPO carries out similar functions in most of the countries. The farmer producer organizations, as a new form of farmer collective combining the elements of cooperation and commercial companies, is being promoted aggressively as a means to address

the challenges faced by small holder producers. The functional presence of producer organizations is considered to be critical for small holders, to achieve competitiveness and ultimately improve their welfare (World Bank, 2008). In fact, primary producer organisations or collectives are being viewed as the only institutions which can protect small farmers from ill-effects of globalization or make them participate successfully in modern competitive markets (Trebbin and Hassler, 2012).

Evolution of Farmer Producer Organizations: Rationale

Aggregation and collectivisation is a tried and tested strategy which has benefitted many farming communities involved in cultivation of plantation crops including coconut across the world. It helps in realizing economies of scale, reduce the input costs while enhancing the bargaining power of the primary producers, especially the small holder producers. It has also played a significant role in reducing the risk in agriculture and strengthening the livelihoods of small and marginal farmers. By organizing themselves into farmer groups and FPOs, farmers have better capacity for and access to technical know-how on crop planning and management, inputs (including seed production), credit, post-harvest management. The membership in FPO's also enhance the capability of primary producers with regard to primary processing, value addition and marketing infrastructure. These collectives also provide better market linkages for their farmer members. .

The most common form of collectivisation that farmers have adopted across geographies involves some form of cooperative institutions and self-help mechanisms and Joint Liability Groups (JLG's). The Producer Companies or more specifically Farmer Producer Companies/Farmer Producer Organizations are of much recent vintage which evolved out of some short comings in the earlier institutional arrangements for collectivization. These farmer collectives were designed to address the constraints faced by small holder producers which arose from both the nature of agricultural production and the size of their holding. Some of the constraints which are of specific significance to small farmers include

- Structural challenges which acts as a barrier between farmers and the market hindering their growth and market viability.
- Poor market infrastructure, non-availability of

credit from formal sources, market information asymmetries, inefficiencies of factor markets and output market etc.

- Lower bargaining power and holding capacity arising from insignificant individual production volume and disaggregate nature of agricultural production.
- Higher input costs arising from purchase of inputs in retail market, low volume transactions, inability to forecast requirements and lack of technical expertise in input management and decision making.

Though the farmer collectives like cooperatives had many lofty ideals, over time these ideals got diluted and a sense of lethargy crept in. The cooperatives and other forms of traditional farmer collectives alike failed due to problems like political interference and poor management. The efforts to provide stability and support to these traditional institutions often resulted in excessive bureaucratic control in day-to-day functioning and resulted in a lack of clear focus and vision about their institutional raison d'être. The constant quest for creating an institutional structure that can withstand these challenges and constraints while maintaining the ethos of cooperation for farmers' collectivisation saw many experiments in collectivizing the farmers. The Farmer Producer Companies or the Farmer Producer Organizations are one of the most promising of these innovative farmer collectives.

Though farmer cooperatives, which have a long history of existence, could be viewed as a crude form of farmer producer organization, its scope and functioning has significant drawbacks. Some of the major drawbacks of small farmer cooperatives/ farmer collectives arise from capital constraints, corruption, free rider problems, political interference and lack of autonomy (Singh and Singh, 2013). As a viable policy intervention for strengthening and revitalizing farmer collective organizations, it now considered that a change in organizational and operational environment of farmer collectives/ cooperatives more congruent with professionally run companies will be highly transformative in effect. The enhanced freedom, unshackling of collective power and stakeholder involvement in professionally run business operations was expected to make farmer collectives profitable business entities in a competitive market.

Types of Farmer Producer Organizations

Broadly Farmer Producer Organizations can be categorised into four broad categories (Thompson et al. 2009):

- Market-oriented
- Input-oriented
- Extension-oriented and
- Policy and advocacy oriented

These categories are useful for mapping the terrain, but most producer organisations are a mixture of some or all of these functions. The identity of a producer organisation will vary according to its origins and context, be shaped by economic change and policy trends, and may well shift during the lifetime of the organisation.

Evolution of FPOs in India

Framing of a legislation that would enable incorporation of cooperatives as companies was one of the key policy initiatives under consideration during the early part of this millennium. The conversion of existing cooperatives into companies while ensuring the retention of the unique elements of cooperative business with a regulatory framework similar to that of companies was envisaged through changes in the Companies Act (GoI, 2013). On the recommendations of an expert panel led by Y.K. Alagh, Government of India amended the extant Indian Companies Act,

1956, in 2002-03 to provide for “producer companies”. The amendments ensured the establishment provisions for creation of producer companies or more specifically Farmer Producer Companies in agriculture sector as a hybrid between cooperative societies and private limited companies. The policy initiative through the amendment of Companies Act, 1956 effected through “The Companies (Amendment) Act, 2002” saw the emergence of the new generation Farmer Producer Organizations, more identified with companies in functioning and scope than with the cooperatives. In any agrarian economy dominated by the prevalence of small holder production system there exists a strong economic rationale and sound logic for a demand for such farmer producer organizations. Over a short span of time, FPOs have emerged as an alternative institutional arrangement, across several crop sectors including coconut, to promote small holder aggregation and address production, processing and marketing constraints faced by them. The concept behind Farmer Producer Organizations

is that farmers, who are the producers of agricultural products, can form groups and register themselves under the Indian Companies Act. The aim is to enhance farmers competitiveness and increase their advantage in emerging market opportunities.

A Farmer Producer Company can be formed by any 10 or more primary producers or by two or more producer institutions, or by a contribution of both. They can undertake activities related to production, harvesting, procurement, grading, pooling, marketing, processing, etc., of agricultural produce. Several well documented success stories of Farmer producer companies in the country, over the short span of its existence in plantation crop sector, have proven that the entire gamut of activities related to production, processing, value addition, marketing and trade are well within the ambit of its capability.

FPOs in coconut sector—genesis and priorities

In India, coconut is cultivated in 18 states and 3 Union Territories and supports the livelihood of over twelve million people. It is of greater importance in the agrarian economy of the four southern states of Kerala, Tamil Nadu, Karnataka and Andhra Pradesh, which account for 90% of the coconut cultivation in India. Coconut cultivation in the country has also spread in non-traditional tracts like Bihar, Chhattisgarh, Gujarat, West Bengal and North Eastern states. Island territories like Lakshadweep Islands and Andaman & Nicobar Islands have coconut as the major crop. The economic growth and prosperity of coconut growing regions in the country is highly dependent upon the stability of the coconut industry. Coconut is predominantly cultivated in small and marginal holdings. Most of these holdings neither provide gainful employment opportunities for the family labour throughout the year nor generate sufficient income to meet the family requirement. Presently coconut growers are more exposed to economic risks and uncertainties owing to the high degree of price fluctuations.

Organizing the unorganized coconut sector through farmer’s collectives was one of the important activities of Coconut Development Board (CDB) during the twelfth five-year plan. Since then, CDB has been facilitating formation and hand holding of FPOs in coconut sector. The primary objective of mobilizing farmers into member-owned producer organizations is to enhance production, productivity and promote economically desirable processing, marketing and to enhance profitability of coconut farming, especially

among small and marginal farmers in the country. The participant farmers will be given the necessary support to identify appropriate production and protection technologies for increasing production by optimum use of inputs, cultivation of intercrops suitable to their coconut garden, facilitating access to modern technologies through participatory extension initiatives, capacity building programmes etc. The producer's collectives will have to be strengthened and they will be facilitated to access forward linkages with regard to technology for enhanced productivity, value addition of feasible products and market tie-ups. Coconut farmers are organized into small neighbourhood informal groups at grass root level as Coconut Producers Societies (CPS) and 10-12 CPS federated in to Federations at middle level and 10-12 federations to form producer companies at top level. Like co-operative system three tier coconut farmers collectives was formed which would be supported under the programme to form associations/organizations relevant to their context including confederating them into FPOs for improved input and output market access as well as negotiating power.

CDB initiated formation of Farmer Producers Organization (FPO) forming coconut producers' collectives at grass root level called Coconut Producers Societies (CPS) in 2009-10 in Kerala and 112 CPS formed during the year. Subsequently CPS formation was scaled up to all districts of Kerala. In 2012-13 scaling up of CPS formation in Tamil Nadu, Karnataka and Andhra Pradesh and integration of CPS to form CPF in Kerala was started. Formation of Coconut Producer Companies was also initiated in 2013-14. So far 9788 CPSs, 747 CPFs and 69 CPCs have been registered across the country. The progress of CPS, CPF and CPC formation so far is summarised in table 1.

Rationale and organizational structure of FPOs in coconut sector

Farmer Producer Organizations in coconut sector are formed with the main objective of socio-economic development of farmers through productivity improvement, cost reduction, efficient aggregation, processing for value addition, better by-product utilization and efficient marketing of the produce. It aims at providing a fair, steady and reasonable income to farmers by organizing the unorganized coconut sector through farmer collectives.

True empowerment happens only when farmers are involved in all stages of value addition supply

S No	States	No. of CPS registered	No. of CPF registered	No. of CPC registered
1	Kerala	7231	467	29
2	Tamil Nadu	697	73	19
3	Karnataka	401	125	13
4	Andhra Pradesh	1157	82	8
5	West Bengal	218	0	0
6	Odisha	40	0	0
7	Assam	29	0	0
8	Gujarat	14	0	0
9	Maharashtra	1	0	0
	TOTAL	9788	747	69

(Source: Coconut Development Board <http://coconutboard.nic.in/ProducerSocieties.aspx> accessed on 25 October 2022)

chain, such as, production, aggregation, processing, marketing, distribution and sales. Only when farmers start an enterprise of their own, they will learn to plan, collaborate, work in a team, take decisions and risks, interact with people from other spheres and sectors, thus learning and growing with the enterprise. This helps in inducing self-confidence within the farmers thus enabling their overall development.

The name 'Producer Company' is provided in order to indicate that the members have to necessarily be a primary producer. A new Part IXA, sections 581(A) to 581(ZT) of Indian Companies Act 1956 provide the features of a Producer Company. It is a hybrid between a Private limited Company and a Cooperative society as it minimizes interference from other external bodies thus ensuring that the real power rests with members of the company itself. Such a company functions like any other private limited company with only difference being that the profit incurred flows back to farmers who own the company.

Initially coconut farmers were apprehensive about putting back hard-earned surplus to agriculture sector, even not very confident regarding attempting to run their affairs of their own. Secondly, they needed assesses to technology, training on management of organisations, pathway for getting into existing market network with new found collective bargaining power. Coconut Development Board may play a strong and proactive role in facilitating emergence of FPOs in coconut sector.

Primary need was to bring together small coconut farmers into member-based farmers collectives.

But it was noticed that small farmers require an external agent to organise them into a group and then federate number of such groups to federations. Thirdly, bring together federations to form Coconut Producer Companies so that institutions would operate in a self-sustaining manner (Nair,2013). Realising this need, CDB came forward to facilitate formation of three tier coconut farmers' collectives.

Coconut Producer Societies (CPS)

CDB conceptualized a systematic method for the aggregation of coconut farmers. A three tier system of farmer collectives federated at secondary and tertiary level was envisaged. CPS forms the foundation for the three-tier network of farmer collectives conceived by CDB. Grass root level collectives comprising of 40-100 coconut farmers formed the basic unit of aggregation. The rationale behind this was that small groups would increase cohesivity. Any farmer who has a minimum of 10 bearing coconut palms is eligible to become a member of the farmer collective. These farmers cultivating in contiguous areas will have a minimum of 4000-6000 coconut palms which provide them with adequate marketable surplus to initiate a marketing or processing endeavour. The farmer collectives were registered under the Indian Societies Act, 1860 or Travancore Cochin Literary, Scientific and Charitable Societies Act, 1955 and were named Coconut Producer Societies (CPS). The CDB developed a common byelaw for the CPS. The objective is socio economic development of the farmers through productivity improvement, cost reduction, efficient aggregation, marketing and processing for value addition and by product utilization.

The CPS functions on the concept of inclusive growth. The group is formed on a basis of a knowledge based, farmer centric, non-subsidized approach and advocates a group approach in crop production, post-harvest handling, processing, value addition and marketing. The CPS is first facilitated to develop a database on the extent of coconut cultivation in its area of operation including details of bearing palms, non-bearing palms, varieties grown etc. This database will provide the necessary information for planning the activities of the CPS towards ensuring an enhanced and sustained income. The CPS is facilitated to conduct regular group meetings and undertake proactive measures towards increasing productivity through synchronized cultural operations, rejuvenation of gardens through systematic replanting, timely harvest of produce by

effective utilization of Friends of Coconut Tree and collective marketing. CDB extends support to CPS for establishment of nurseries to cater to the demand for seedlings among the member farmers.

Coconut Producers Federation (CPF)

The CPS are further federated to form Coconut Producers Federations (CPF) by integrating 15-25 CPS. The federation will be having around 1 lakh coconut palms in its area of operation which will provide adequate raw material for the initiation of a coconut processing unit. The federations can also undertake efficient by-product utilization for increased returns. On the production front, CPFs can embark on R&D activities in coconut farming with the association of research institutes thereby enabling demonstration of already developed technology and also development of innovative technology in a participatory and need based manner. Federations can identify good mother palms in the area and enter into seedling production for ensuring good planting material supply. Federations can aggregate coconut for collective marketing either for domestic market or export and also for processing activities. CPFs can take a lead role in ensuring adequate and timely credit to the coconut farmers through Kisan Credit Cards (KCC). CPFs can empower the member farmers and undertake processing of coconut and production of various products from coconut. Monitoring of the activities of the member CPS and engineering the formation of new CPS in potential areas was also one of the key responsibilities of the CPF. Enterprises like coconut chips production, tender coconut parlours, minimal processing of tender coconut, copra production etc were the activities commonly undertaken by CPF.

Coconut Producers Company (CPC)

Around 8-10 CPFs would join together to form a CPC. A CPC would consist of around 10,00,000 yielding palms. This company would be registered under section 581B of Indian Companies Act of 1956. The Producer Company is wholly and fully owned by the farmers. Sometimes when CPSs have large number of members and having almost one lakh bearing coconut palms, such CPSs are considered equivalent of CPFs and ten such CPSs may come together to form a CPC in two tier structure. The total number of bearing coconut palms owned by the member farmers was considered as the most important factor in the formation of an FPO.

Coconut farmers' collectives under 'Keragramam' project

Apart from the three-tier FPO structure formed under CDB other types of farmers' collectives are also functioning in coconut sector, out of which the prominent one is the collectives facilitated under Keragramam project implemented by State Department of Agriculture, Government of Kerala.

State Department of Agriculture Development and Farmers' Welfare, Government of Kerala has been implementing Keragramam, a project for integrated management of coconut gardens on cluster basis since 2012. The project is implemented in an area of 100 ha for a consecutive period of three years in each the selected coconut growing gramapanchayats in the state. Every year the project is extended to new gramapanchayats. During the year 2022-23 it is proposed to implement the Kera gramam project in 100 grama panchayats thus covering a total area of 10,000 ha. Financial incentives are provided to take up timely adoption of scientific crop management practices such as opening palm basins, weeding, mulching, coconut husk burial for moisture conservation, intercropping in coconut garden, soil test based nutrient management including application of soil ameliorants, fertilizers/biofertilizers, magnesium sulphate/secondary nutrients/micronutrients, organic manure, integrated pest and disease management, removal of senile unproductive palms and replanting with good quality seedlings. Incentives are also provided for installation of irrigation facility including micro-irrigation. Under the project assistance is also provided for purchasing coconut climbing devices and establishing organic manure production units. Viable proposals by farmer clusters, SHGs, NGOs and FPOs to start enterprises on coconut processing and value addition will also be supported under the project.

A compact area approach with an extent of 100 ha is adopted for implementation of Keragramam project. All small and marginal farmers coming under the selected project area will be included as beneficiaries of the project based on the suitability of the coconut gardens, irrespective of their land holding size. It is envisaged to facilitate formation of ward level/panchayat level Kera samithy (coconut society) to organise activities under Keragramam project on a group approach for taking up cultural operations, application of manures and fertilizers and plant protection in coconut gardens. Kera samithy has to be registered under the Charitable Societies

Act. Cluster formed at panchayat level should have a technical resource group for monitoring the implementation of the different components of the project with Grama Panchayat President as the Chairperson and Agricultural Officer as the Convener. The resource group will have field level functionaries of Department of Agriculture, representatives of KAU, CDB and scientists from research stations as members.

Other types of farmer collectives in coconut sector

Apart from the FPOs supported by CDB and Department of Agriculture as discussed above, various other collectives of farmers including Farmer Producer Companies, farmers' groups supported by co-operatives, credit institutions, NGOs etc also facilitate group approach for implementation of interventions pertaining to integrated development of coconut sector.

Government support for FPOs

Government can facilitate the development and strengthening of FPOs by creating a suitable legal and regulatory framework, developing policies that provide a framework for active and meaningful engagement and cooperation with FPOs, creating laws and policies that seek to establish a balance between several stakeholders with divergent interest, providing an enabling environment to access public incentive programmes and other resources, providing opportunities for FPOs to participate in policy development, supporting and facilitating capacity-building of FPOs, promoting equitable distribution of access to government services and raising public awareness about the role and relevance of the FPOs in its domain.

As a policy initiative to support farming community, FPOs bring a clutch of benefits for the government. It is in the interest of a benevolent government to develop a collaborative partnership with the FPO sector. Encouraging the establishment and successful development of FPOs should be a priority for governments wishing to promote sustainable development of coconut sector since the stakeholder involvement through FPOs in nurturing the coconut economy will ensure incorporation of sustainability principles in all activities. The establishment of FPOs strengthens market forces and enhances better and fair access to markets for all stakeholders. The enhanced market efficiency, while enhancing government revenues, is helpful

for optimizing resource allocation across crops and commodities.

The establishment of FPOs can reduce the need for government expenditure and involvement in provision of support services, especially extension services and other technical guidance services. This can free up government resources for other priority sectors in the country while making services available to farmers at a lower cost and with more effectiveness than is often possible by government. Governments should encourage the development of FPOs as they can improve the process of policy making by proposing supportive policies and providing coherent assessments of policy impacts from the perspectives of actual stakeholders.

During the last few decades, a wide range of FPOs have emerged with the support of state and central governments and their number is on the rise. A central sector scheme for formation and promotion of 10,000 FPOs is being currently implemented by the Ministry of Agriculture & Farmers Welfare under which financial assistance and other incentives are provided to FPOs.

Issues and challenges facing FPOs in coconut sector

There is a broad consensus that concerted efforts need to be made to promote and nurture producer companies and further legislation need to be made to make these companies more attractive for investors. The rapid growth and development of FPO sector not with standing, this relatively new institutional mechanism has thrown up several issues. The restriction on trading of shares of FPOs which limits the exit options for investors, the exclusion on non-producers and the low level of institutional support from commercial financial institutions are some of the persistent issues. This shows that there is scope for improving the existing way of functioning and the need for policy makers to guard against complacency with respect to their approach to FPOs in policy matters. Facilitating the formation of new FPOs is extremely relevant if the interests of the millions of small and marginal farmers in our country are to be protected. But it is also equally important to analyse the performance of existing FPOs so that the nature and extent of problems they experience can be figured out, and viable strategies and interventions can be formulated and implemented to sustain their activities.

ICAR-Central Plantation Crops Research Institute

(ICAR-CPCRI), one of the national institutes under ICAR having the mandate for research on coconut, arecanut and cocoa, has been actively promoting farmer collectives as part of project implementation pertaining to transfer of technologies, especially in the coconut sector. As part of supporting the activities of FPOs in coconut sector CPCRI has been conducting studies on performance of FPOs, constraints they experience and strategies for strengthening them (Thamban et al. 2020). Besides, interface programmes and workshops involving FPOs, scientists and other stakeholders are also being conducted by the institute with the aim of revitalising the activities of FPOs. A Scientist-FPOs interface programme on 'FPOs in coconut sector-Status and challenges' was organised by CPCRI during 2021 at Kozhikode. National Mentoring Workshop for Strengthening Farmer Producer Organisations, was held in August 2022 at the ICAR-CPCRI Regional Station, Kayamkulam, as part of the Platinum Jubilee celebration of the Regional Station. Studies conducted by CPCRI and the interactions in the interface programmes and workshops conducted have brought out various issues and challenges faced by the FPOs in coconut sector.

Key issues, challenges and strategies.

- Lack of working capital is a major problem experienced by FPOs in coconut sector. The low level of awareness about the functional and operational structure of FPOs among financial institutions makes them reluctant to provide term loans and working capital loans to producer companies. Therefore, creation of awareness among financial institutions needs to be accorded priority. Provision of interest free revolving funds or loans need to be considered to support FPOs. A corpus fund may be raised with government support for generating sufficient working capital for coconut FPOs.
- Though agricultural income is exempted from income tax, the same benefit is not available to Farmer Producer Companies. Equal tax treatment on par with agriculture need to be extended to FPOs in coconut sector also.
- Lack of professional leadership adversely affects the FPOs in coconut sector and many of the FPOs have become defunct due to this problem. Capacity building programmes to nurture leadership traits among FPO representatives are to be conducted regularly to support them.
- Many FPOs failed in their objectives due to

lack of administrative capacity resulting in poor management of record keeping/account books which leads to issues with accountability and transparency. These factors also stand in the way of their accessing finance from banks.

- Only very few FPOs in coconut sector have explored the options for getting premium pricing through certification strategies and providing traceability of its produce. This results both from a lack of capacity and lack of awareness. This situation needs to be addressed.

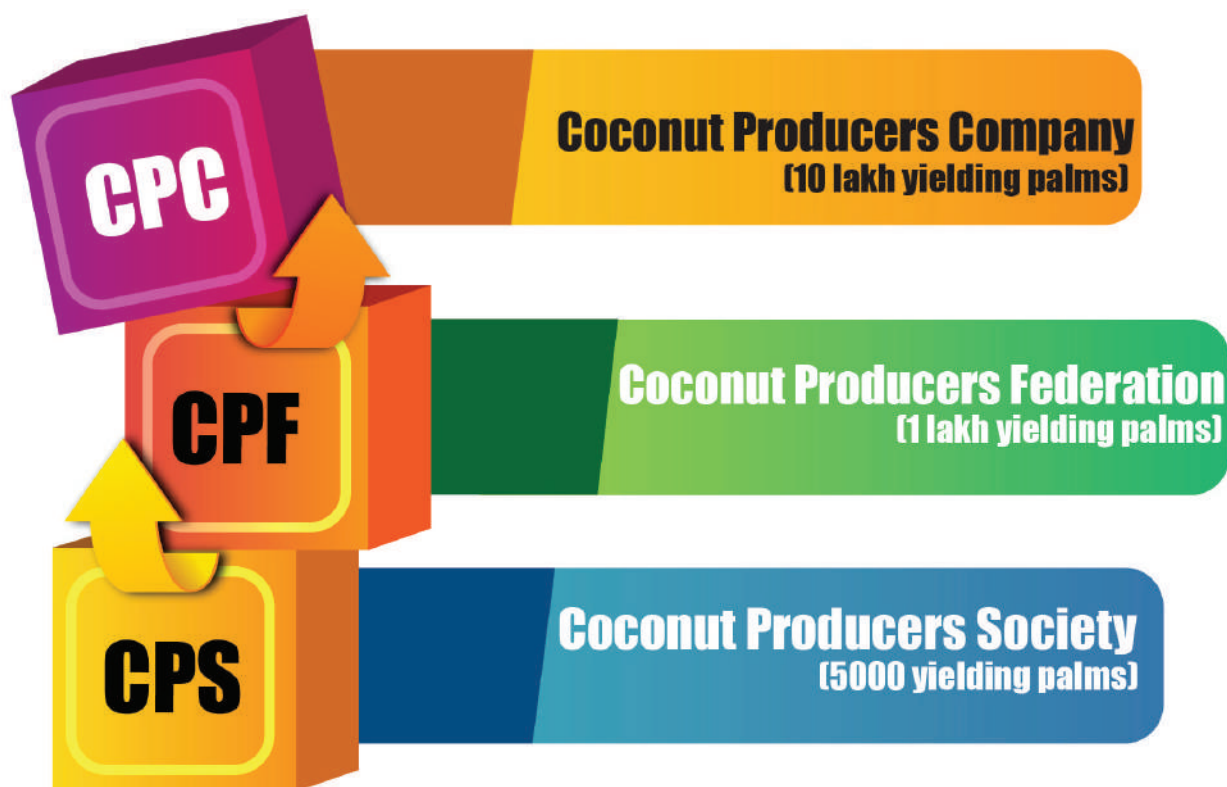
- The role of professional extension services is underutilized during the initial stages of formation of FPOs. These services can be used in locating farming community, awareness creation, community mobilisation, organising community meetings through local leaders, social capital formation, facilitating formation of core group, capacity building of farmers etc.

- A major difficulty for sustaining activities as perceived by FPOs in coconut sector is that they do not get enough support from government agencies except for the formation of FPOs and initial activities. The fact is that many FPOs are dependent on grant-in-aid and subsidies provided through various government and non-governmental sources. This undermines an assessment of their actual commercial

viability and makes them fragile as an institution. The FPOs need to be trained to become self-sufficient and weaned off external support within a short span of time. However, FPOs need support for their sustenance and also subsequently for diversifying/strengthening their activities for which incentives can be provided based on their performance and achievements.

- Most of the FPOs in operation focus on increasing the output volumes alone with a hazy focus on profitability. The FPOs should focus on productivity enhancement per unit of land and reorient their present focus on production to a focus on market-oriented production. The focus on productivity and profitability can be embedded in crop planning, rotation and shifting patterns of crops and development of value chains to reduce the transaction cost.

- Majority of FPOs in coconut sector experience various constraints in marketing and also they mostly fail in brand building which adversely affect their performance and viability. Hence, it is necessary to facilitate formation of a consortium of FPOs in coconut sector and common branding for the coconut value added products produced and marketed by coconut FPOs.



- The network of CPS/CPFs may be utilised by government for procurement of coconut from coconut growers and primary processing of nuts facilitated by the formation of a nodal agency for the collection of copra, and a central facility for safe storage/warehousing. Rate of fees charged for technology transfer related to value added coconut products and machineries and other services provided to FPOs in coconut sector need to be made more affordable.

- Local Self Governments (LSGs) can play an important role in supporting FPOs in coconut sector by involving them in the implementation of the decentralised planning initiative. However, most of the LSGs do not realise the potential of linking decentralised planning in agriculture sector and FPOs. They recommended that specific norms be fixed and necessary guidelines issued to LSGs for supporting FPOs through decentralised planning. Interventions on production and supply of good quality coconut seedlings, customised fertilizers, inputs for organic agriculture, interventions to provide support to growers by making available skilled labour, especially palm climbers, and farm equipment and machinery, etc., can be included in the decentralised planning and linked to the FPOs for implementation.

Way forward

Collectivization of producers, especially small and marginal farmers into farmer producer organisations has emerged as one of the most effective means of addressing the challenges faced by agriculture sector. Though India has witnessed the emergence and establishment of numerous farmer collectives in the coconut sector, policy incentives to support these FPOs with a specific focus on facilitating improved access to investments, technology inputs and markets need to be implemented. The network of FPOs in coconut sector and the available evidence clearly indicate the importance of handholding institutional services in development of FPOs. The organizational, financial and commercial sustainability of FPOs can be further enhanced by leveraging the strengths and addressing the constraints through pragmatic policies and there is a need for government support to create a FPO nurturing ecosystem for revitalising the FPOs in coconut sector.

References

Bijman, J. and Wollni, M. 2008. *Producer organizations and vertical coordination: An economic organization theory perspective. Paper presented at the International Conference*

on Cooperative Studies, 7–9 October, Köln, Germany. Available: http://coqa.nl/wp-content/images/bijmanwollni_producer_organisation_and_vertical_coordination_20082.pdf

CDB (2007) <http://coconutboard.nic.in/docs/FPO-short-concept-note.pdf>

Chand, Ramesh., Prasanna, Lakshmi P.A. and Singh, Aruna (2011) *Farm Size and Productivity: Understanding the Strengths of Smallholders and Improving Their Livelihoods. Economic and Political Weekly, June 25 2011. XLVI (26&27):5-11.*

Nair, Deepthi, (2013), *Producer companies: the new outlook in the global world, Indian Coconut Journal, 56(5) 15-16.*

Government of India (2011) *Final Report of Twelfth plan working group on disadvantaged farmers, including women, Planning Commission, Government of India available at http://indiagovernance.gov.in/files/working_group-reportfarmers.pdf*

Government of India (2013). *Policy and process guidelines for farmer producer organizations in India, Department of Agriculture and Cooperation, Ministry of Agriculture, GoI, 92p.*

Government of Kerala (2016) *An analytical study of Agriculture in Kerala. Directorate of Agriculture, Government of Kerala. 339 p.*

Mahesh, R. (2000) *Farm Size - Productivity Relationship: Some evidence from Kerala. Working Paper 2, Kerala Institute for Environment and Development (KIED), Thiruvananthapuram.*

Rondot, P. and Collion, M. H. 2001. *Agricultural producer organizations: Their contribution to rural capacity building and poverty reduction. Report of a Workshop, 28–30 June 1999. Washington, DC: The World Bank. Available: <http://info.worldbank.org/etools/docs/library/51025/ZipAgExtension1/agextension1/Materials/additional/AgProdOrg-Proceedings-en.pdf>*

Rubber Board (2016). <http://rubberboard.org.in/ManageScheme.asp?id=45>

Singh, S. and Singh, T. (2013) *Producer Companies in India: A study of organization and performance, Centre for Management in Agriculture, Indian Institute Management, Ahmedabad, 126 p.*

Tagat, Venkatesh (2016) *Financing for Farmer Producer Organisations (FPOs) –Focus on Transforming Agricultural Lending, NABARD knowledge series-3, National bank for Agriculture and Rural Development, Mumbai. 68 p.*

Thamban C, Jayasekhar S, Chandran KP and Rajesh M.K. 2020. *Sustainability of Farmer Producer Organisations - The case of producer organisations involved in the production and marketing of 'neera' in the coconut sector in Kerala, India. Journal of Plantation Crops 48(2):150-159.*

Thompson, J., Teshome, A., Hughes, D., Chirwa, E. and Omiti, J. 2009. *Challenges and opportunities for strengthening farmers' organisations in Africa: Lessons from Ethiopia, Kenya and Malawi. FAC Policy Brief 31. Brighton: Future Agriculture Consortium.*

Trebbin A and M Hassler 2012. *Farmers' producer companies in India: a new concept for collective action?. Environment and Planning 44(2):411- 427.*

World Bank (2008) *World Development Report 2007: Agriculture for Development, The World Bank, Washington DC.*