

Women led FPOs

Why in news?

Farmer Producer Organisations (FPOs) have gained recognition as a vital tool to mobilise women farmers, supported by development agencies and policymakers.

Farmer Producer Organisations

- An FPO is a legal entity that is owned and managed by farmers, which, in this context, includes cultivators, dairy producers, fishers, plantation owners, and others engaged in primary production in the agriculture sector.
- They are incorporated/registered either under
 - Part IXA of Companies Act or
 - Co-operative Societies Act of the concerned States.
- **SFAC**- Small Farmers' Agribusiness Consortium (SFAC) provides support for FPOs promotion.
- FPO is a generic name, which includes farmer producers' organization incorporated for the purpose of leveraging collectives through economies of scale in production and marketing of agricultural and allied sector.
- **Example**- Lokhit Bahuuddeshiya Krishi Producer Company is a women-led FPO that cultivates organic cotton and sells it to global brands.

What is the significance of women led FPOs?

- **Financial independence**-Women in FPOs exhibit greater independence, with fewer needing to borrow from their households to pay FPO share capital.
- **High cropping intensity**-Women farmers in FPOs have significantly higher cropping intensity (210%) and cultivate a greater diversity of high value crops.
- **Social inclusion**- Rural women with prior experience in SHGs actively participate in women led FPOs, upholds democratic governance principles and fosters comprehensive inclusive development.
- **Financial involvement**- Women led FPOs tend to have a higher average share capital which reflect active financial involvement.
- **Strong savers**- Research has shown that women have lower rate of non-performing loans (2.9%) than men (4.2%).

In India several of the women's collectives promoted by civil society organisations and the National Rural Livelihoods Mission (NRLM) have also demonstrated strong management and financial management skills, even for large sums of money.

- **Risk management**- They adopt a cautious low risk approach which result in steady

revenues and business sustainability.

- **Focussed approach**- Women exhibits less political orientation compared to male counterparts, this allows for a more d=focussed approach to organizational goals.

What are the challenges faced by women led FPOs?

- **Gender inequality**- Women often have limited access to information, control over time, mobility and financial resources which puts them in disadvantaged position than men.
- **Lack of data**- There is no publicly available gender segregated data on FPOs, major promoters of FPOs like NABARD, SFAC etc., do not provide publicly available data on the number of women-centric FPOs.

Estimates suggest that only small % of existing FPOs are women FPOs.

- **Underrepresentation**- Women constitute 75% of the full-time farm workforce but their participation in FPOs remains disproportionately low.
- **Policy paralysis**- The guidelines for setting up 10,000 new FPOs in India by 2024 fails to address the gender disparities within the agricultural sector as they do not specifically account for their unique constraints and opportunity.
- **Lack of capacity development**- Lack of education and training opportunities for women in agriculture can impede their ability to adopt modern technology.
- **Technological divide**- The gender gap in access to and use of technology can be a significant challenge to women as they may have limited access to information and communication.

To know more about FPOs click [here](#)

What lies ahead?

- There is a need to collect gender segregated data on existing FPOs.
- The government should provide larger equity grants and infrastructure support for women led FPOs.
- India should promote gender equality in FPOs which is essential for sustainable agriculture sector growth.
- The government should proposes a policy adjustment mandating at least 50% representation of women on the Boards of Directors of FPOs to foster inclusivity in agriculture sector.
- FPOs with strong female leadership can have a positive ripple effect in rural communities, promoting gender equality, and encouraging young women to pursue careers in agriculture and entrepreneurship.

Steps taken by government to promote FPOs

- **Formation & promotion of new 10,000 FPOs** - It is a Central Sector Scheme launched in 2020 to provide financial assistance up to Rs 18 lakh per FPO for a period of 3 years
- **FPO Credit in the Priority Sector**- FPOs receive preferential treatment in terms of credit (loans or financial support) within the priority sector, it includes activities that are crucial for economic development such as agriculture.
- **Five-Year Tax Breaks**- FPOs are eligible for tax breaks (reductions in taxes they need to pay) for a period of five years, this incentivizes FPOs to operate efficiently and invest in their activities.
- **Honey FPO Programme**- Agriculture Ministry launched [5 FPOs](#) for producing honey that would be set up with the help of National Agriculture Cooperative Marketing Federation of India (NAFED).
- **Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM)**- It promotes FPOs by mobilizing farmers, building market linkages through a value chain development approach for farm based livelihood is an important strategy being pursued.
- **Venture Capital Assistance program**- It is launched by SFAC, it works for the betterment of farmer-entrepreneur to evolve their agri-based business.
- **Mission for Integrated Development of Horticulture (MIDH)**- It is a centrally sponsored scheme that aims to encourage the aggregation of farmers into groups such as FPOs to facilitate the economy of scale and scope.
- **FPO cell**- A dedicated FPO cell was launched by Ministry of Agriculture to meet the objectives of FPOs.
- **One Nation One District Product**- It is included in the "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme", it provides support to FPOs, SHGs and producer cooperatives.
- **Lakhpati didi scheme**- It is a Rajasthan initiative to support economically disadvantaged women, providing them with a loan of INR 5 lakh without interest, this will provide support to women led FPOs.

Reference

[Business Line- How women led FPOs transforms Indian agriculture?](#)