12. Considering the transition in agricultural sector, farmer producer Organisations can ensure better economies of scale to farmers in the country. Examine.

The Indian agricultural sector is in transition towards contract farming, outside APMC mandis, price assurance schemes etc., Hence the FPO in India is necessary towards increase better price of produce to achieve doubling farmers income by 2022.

Scaling up production:

1. Recent Farmers Protection and Price Assurance act focus on contract farming.
2. Hence India's 146M small & marginal farmers is necessary to scale up production to beyond 5 hectares to benefit in contract farming.
3. (e.g) 5000 FPO in India through co-operative formations can double the sugarcane produce and scaling up for exports through contract farming.

Credit Access to farmers:

1. Recent Farmers Produce and Trade act ensures selling produce outside Mandi.
2. Hence for credit access towards profit maximisation requires co-operative society formation through FPO.
3. (e.g) Harvest & Post-harvest loss - Fasal Bima Yojana give price assurance only to registered FPO in India.

Bargaining power of farmers:

1. Indian farmers require bargaining powers for better economies of scale.
2. Thus FPO and co-operatives through CCAP can have better bargaining while deciding MSP, FRP in sugarcane
3. (e.g) Subsidy through Krishi Chinchayee Yojana, Electricity grid is only available to farmer producer Organisations.

Inorder to achieve the maximum potential, 1 lakh FPO is needed to achieve the maximum produce and better price assurance to maintain buffer stocks in the country.