

## **Case of Women FPOs: Engendering Farmer Producer Organisations (FPOs) Initiative of the Govt. of India**

**Abstract:** *Women farmers play an important role in agriculture and allied activities, but often remain invisible. They lack access to information, resources, land, extension services, credit, technology and local institutions compared to men, further restricting their agency and impacting the overall economy with productivity losses and reduced workforce participation. Due to these factors, their participation in decision making and market related activities are low. With rising incomes, agriculture and allied sectors are witnessing a rise in commercialisation causing new enterprises to emerge - this further invisibilises the role of women and also reduces economic navigational opportunities. There is a need to promote women only FPOs to ensure better participation of women, enhance access to resources and services and sustain better income. This interalia will ensure the promoting entities and Implementing Agencies provided in the Ministry's Operational Guidelines and other supporting mechanisms like Cluster Business Organisations locate value chains with higher women participation, adapt for women to join and focus on leadership development.*

### ***Evolving Small and Marginal Farmer Landscape: Emergence of FPOs***

According to the Economic Survey of India 2018, small and marginal farmers account for more than 85% of all farmers in the country. They face several challenges like access to quality inputs, information, credit, technology and markets. They are also the most vulnerable to climate change. Hence, their profits are minimal due to increased cost of cultivation and suboptimal price realisation for their produce. Agriculture in India is predominantly production oriented with 53 % of total of 121 m holdings with a large number of fragmented small holdings. Elasticity of poverty reduction with respect to agricultural growth in India has been estimated to be 1.9 percent in the long run. Unlocking the potential of small holder farmer is the prime national goal with significant impact on poverty outcomes. This is particularly significant for the 98 million small and marginal farm households, more so in dry land or rainfed regions, which accounts for 60% of India's cultivated area. In short, the future of sustainable agriculture growth and food security of the nation depends on the performance of these small and marginal farmers.

Despite agriculture being the riskiest sectors of economic activity, there is rapid consumer growth in the Indian market with high disposable income and with India also emerging as a global sourcing hub (both of fresh and processed), this presents an unprecedented opportunity for farmers. However, one of the key challenges faced by the small and marginal farmer is linked to the stranglehold of monopolistic and inter-locked (input-output) trader. There is need to build institutional aggregation models with strong managerial capabilities for linking farmers to the input-output markets in sustainable manner. This requires mitigating the fragmented nature of production systems - incentivizing joint-production (by land pooling etc.) ensuring uniformity of production, traceability etc. Besides, there is need to strengthen post harvest management ecosystem for smallholders to manage risk of price volatility with appropriate mechanism, access to short term warehousing facility, credit or bill discounting facility and increasing the integration with formal private sector buyers. Farmer Producer Organisations (FPOs) have emerged as the most preferred institutional mechanism to mobilise farmers by development agencies and policy makers. It is the lynchpin strategy for Doubling Farmer Income - recent announcements of inclusion of FPO credit in Priority Sector, 5-year tax breaks and development of 10,000 FPOs underscores the acceptance of FPO as an institutional form to solve some of the challenges of small farmers.

### ***Women Farmers: Visibility, Identity, Recognition and Resource Access***

As per the 10th Agriculture Census (2015-16), the percentage of female operational holdings in the country is around 14%. Women play an important and valuable but often invisible role in agriculture and allied activities. As per census 2011, out of total female workers, 55% were agriculture workers and 24% were cultivators. Women are engaged in agricultural activities mainly in three ways - wage labourers, cultivators doing labour on their own land, and managers of agricultural activities through labour supervision and certain post-harvest activities. According to official statistics (National Sample Survey [NSS] of 2004-05), women make up 32 per cent of the total workforce in the Indian economy. Majority of the female workforce (84 per cent) works in rural India. A very large share (73 per cent) of this female workforce toils in the agricultural sector, mostly (96 per cent) in rural areas. Agriculture sector employs 80% of all economically

active women; they comprise 33% of the agricultural labour force and 48% of self-employed farmers. In rural India, the percentage of women who depend on agriculture for their livelihood is as high as 84%. Women make up about 33% of cultivators and about 47% percent of agricultural laborers.<sup>1</sup> These statistics do not account for work in livestock, fisheries and various other ancillary forms of food production in the country. In 2009, 94% of the female agricultural labour force in crop cultivation were in cereal production, while 1.4% worked in vegetable production, and 3.72% were engaged in fruits, nuts, beverages, and spice crops.<sup>14</sup>

Women's participation rate in the agricultural sectors is about 47% in tea plantations, 46.84% in cotton cultivation, 45.43% growing oil seeds and 39.13% in vegetable production.<sup>16</sup> While these crops require labour-intensive work, the work is considered quite unskilled. Women also heavily participate in ancillary agricultural activities. According to the Food and Agriculture Organisation, Indian women represented a share of 21% and 24% of all fishers and fish farmers, respectively. Several studies have claimed that women produce 60-80% of food in developing countries and half of the world's food supply, yet they lack access to information, resources, extension services, credit, technology, land and local institutions compared to men who access them easily.<sup>1</sup> In terms of women owned collectives institutions , a NCUI statistics 2018 quotes the share of women cooperatives in the overall number of cooperatives in India at 2% ( 21,493 out of 854,355) in 2016-2017. There were over 21,493 all women cooperatives (non-credit societies) in India, with a total membership of over 2 lakh<sup>2</sup> which is very small as compared to 290 million overall membership of cooperative society. However, not all women cooperatives are engaged in farm and allied sector ( sector wise and gender wise disaggregated data not available at NCUI) and will need a research study to understand collectivisation of women under cooperative acts . The cooperative movement has not been able to provide proportionate women representation over last seven decades . There is chance of repeat of replication of male domination of cooperative movement in the FPO movement which needs an affirmative action in favour of women FPO formation. **With recent reform measures aimed at formalising the agriculture sector, it becomes critical to organise women farmers as FPOs facilitating this transformation to formalisation.**

Growing rural to urban migration by men is causing 'Feminisation' of agriculture, leading to increased participation of women in several activities in the agricultural value chain. Specifically, in the Indian context, livestock is the primary livelihood activity of rural households and livestock income culturally is considered as controlled by women, with assets coming as *streedhan*. Typically, women are responsible for cleaning of animals, sheds, watering and milking of animals. Similarly, in poultry, goat and homestead livestock, vegetables and tree farming is traditionally managed by women of the house. While women perform a majority of the tasks involved in cultivation, they play a limited part in agricultural decision-making, have low involvement in market-facing roles and little control over profits. Studies reveal that when knowledge gaps between men and women are reduced, productivity can be increased by 131%.<sup>3</sup> Despite their dominance of the labour force, women in India still face an extreme disadvantage in terms of pay, land rights, and representation in local farmers organisations. Furthermore, their lack of empowerment often results in negative externalities such as lower educational attainment for their children and poor familial health.

Typically, women cultivators don't have land titles in their name, and are often ignored stakeholders in farm-related interventions. They also have reduced access to agronomic training programs and information, and agriculture extension services provided by the government. **This has led to invisibilisation of women in agriculture, specifically their involvement in FPOs formation and governance is scarce, and therefore there is an urgent need to ensure women involvement in real terms i.e. decision making and market facing roles.**

### **Promise of FPOs: Need for women FPOs**

The reasons for FPOs to have a promising outlook are very much related to the development of the food retail sector in India, further accentuated with the recent reforms in ECA, Contracts and APMC. The intrinsic objective of these organisations is to link smallholders to larger corporate buyers as investments in the food retail and food processing sectors have increased tremendously. This means that farmers come

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<sup>1</sup>Mehra and Rojas, 2008

<sup>2</sup> [https://ncui.coop/wp-content/uploads/2019/04/Statistical\\_Profile\\_2018.pdf](https://ncui.coop/wp-content/uploads/2019/04/Statistical_Profile_2018.pdf) (page no 108)

<sup>3</sup>Gender mainstreaming in global agricultural supply chains can accelerate good growth, Good Growth partnerships, Jan 2020

together and leverage the resultant bargaining power to secure better prices in direct cooperation with retail and institutional buyers. The above also ensures that farmers are freed from the vagaries of dealing individually with traders and similar intermediaries across wholesale markets and the potential for losing out on income opportunities on account of poor price realisation. Women inputs to agriculture as well as their invisible role in household responsibilities have the danger of further marginalisation in the new wave of FPOs which may naturally mobilise recognised “farmers”.

Women farmers have an opportunity to come together and take advantage of the growing commercialisation in agriculture and allied activities. It is important that we create institutions owned and managed by women to enhance their participation in the food system. This can be done through:

- Promotion of women only enterprises in agriculture and allied activities so that women retain their control of decision and income from such enterprises which otherwise tends to be controlled by men.
- Provision of access to resources like land, credit and market which will enable them to start their own businesses rather than become employees of commercial enterprises.  
Provision of capacity building exclusively focused on creating managerial skills and decision making capabilities with exposure to market system to enhance the gender equality in farm and allied value chain

World Bank mentions that gender inequalities result in less food being grown, less income being earned, and higher levels of poverty and food insecurity. Agriculture in low-income developing countries is a sector with exceptionally high impact in terms of its potential to reduce poverty. Yet for agricultural growth to fulfil this potential, gender disparities must be addressed and effectively reduced<sup>4</sup>. The success of the SHG model presents a case that women are responsible with a recovery rate of 98% plus. There is much to gain for FPOs if they converge with local SHGs (mentioned in point 4.4 –page xvii) and take advantage of unique SHG ecosystem that exists in the country. It, therefore, makes sense to promote at least 70-80% women-only FPOs for livestock (dairy, poultry & goatery) and others sector (fisheries, cereals, pulses, fruit & vegetables) can have 20-30% women representation. This would help achieve a goal to have **40% FPOs** that are women-led for women empowerment and to acknowledge women’s role in agriculture.

There are case studies like that of NSPDT, where woman producer earns at least ₹40,000 a year from the activity and more than 13,000 women poultry producers organised into 25 producers organisations in Madhya Pradesh, Jharkhand, Odisha, West Bengal, and Assam. They posted sales of Rs.518.81 crores and earned over Rs 42.62 crores profit (FY 18-19), and these organisations now have a total equity base of Rs. 82.75 crores. Another example is that of SEWA in dairy and Mann Deshi in fresh fruits and vegetables and MSRLM promoted cluster of women FPCs supported by UNDP in Wardha & Yavatmal in soyabean, gram & cotton

### **Way Forward: Suggestions for Targeted Efforts for Women FPOs in Project 10KFPO**

The above context clearly reflects the need to bring in a gender perspective in the project 10KFPO.

The recently issued Operational Guidelines on promotion of 10,000 new FPOs by Union Government for up-scaling FPOs across the country to create an enabling business ecosystem for FPOs is a way forward to develop inclusive and sustainable FPOs. The co-operative experience in the country suggests that even though there are only 7.5% of women who participate in cooperatives as compared to 92.5% of men, the 8,171 women cooperatives with a total membership of 693,000 women<sup>5</sup> which include cooperative banks, stores, food vendors, have done quite well in comparison to men co-operatives. On the pattern of Panchayats, where many states have reserved 50% seats for women and in cooperatives 33% representation has been made mandatory, it is also critical to reserve at least **1/3rd** of total 10000 FPOs to be exclusive women FPOs.

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<sup>4</sup> [https://www.ifc.org/wps/wcm/connect/02c5b53e-420f-4bf4-82bb-6f488ff75810/Women+in+Agri+VC\\_Report\\_FINAL.pdf?MOD=AJPERES&CVID=m0JfSbv](https://www.ifc.org/wps/wcm/connect/02c5b53e-420f-4bf4-82bb-6f488ff75810/Women+in+Agri+VC_Report_FINAL.pdf?MOD=AJPERES&CVID=m0JfSbv)

<sup>5</sup> Daman Prakash. "Rural Women, Food Security, and Agricultural Cooperatives." 2003.

The following suggestions can be considered to drive targeted efforts for women centric FPOs:

**I. Promotion of FPOs owned and managed exclusively by women farmers only: (Operational guidelines, Page xv, point 1.1 and point 4.4):**

Logic:

Examples of FPOs having mixed membership of men and women have shown that men still control the decision-making processes and women's voices are not heard unless conscious and specific efforts are made in that direction. When new FPOs are being formed, Women farmers have an opportunity to come together and take advantage of the growing commercialisation in agriculture and allied activities. It is important that we create institutions owned and managed by women to enhance their participation in the food system. The success of the SHG model presents a case that women are responsible with a recovery rate of 98% plus. As mentioned above, there is much to gain for women FPOs if they converge with local women SHGs and producers' groups and take advantage of unique SHG ecosystem that exist in the country, specifically under the DAY-National Rural Livelihoods Mission.

**Suggestion:**

Add in the objectives stated on page xv of Operational guidelines,

Thus, promotion of exclusive women farmers FPOs, both led and managed by them women is proposed with the objectives:

1. To enable women farmers who are in the informal economy, to move in the formal economy by getting organised into a formal institutional structure.
2. To recognise women's participation in agriculture and allied activities.
3. To create exclusive space for them as decision makers in leadership and managerial positions, increase the percentage of women owned enterprises in the country.

This can be done through:

- a. Promotion of at least 3300, i.e., 33% FPOs as "women only FPOs" in agriculture and allied activities so that women retain their control over decision and income from such enterprises which otherwise tends to be controlled by men.
- b. These 4000 FPOs will be spread equally amongst all the 5000 blocks of the country where FPOs are to be promoted. That means, three will be at least four women FPOs in five blocks. (refer page xvii, point 4.5)

**II. Promoting exclusive women FPOs in Allied activities in agriculture as part of overall FPO targets**

Logic:

- 1) Traditionally, livestock income is considered as 'Streedhan'- property owned by women. Women's role in animal husbandry, NTFP collection and fisheries is also significant, and having their FPOs will not only recognise these roles but also give them space for moving up in the value chain. It is good to see specific mention of NTFP FPOs in point no. 4.8 of page xviii of the guidelines. However, at least a proportion of this needs to be of exclusively of women forest produce gatherers.
- 2) As mentioned above, there are case studies like that of NSPDT, where woman producer earns at least ₹40,000 a year from the activity and more than 13,000 women poultry producers organised in 25 producers organisations in Madhya Pradesh, Jharkhand, Odisha, West Bengal, and Assam. They posted sales of Rs.518.81 crores and earned over Rs 42.62 crores profit (FY 18-19), and these organisations now have total equity base of Rs. 82.75 crores. Another example is that of SEWA in dairy and Mann Deshi in fresh fruits and vegetables.

**Suggestion:**

- a. 25% of 3300 women FPOs, i.e., 825 women farmers FPOs should be for Food grain and Commercial Crops

- b. 30%, of 3300 women FPOs, i.e, 990 Livestock and poultry
- c. 20% of 3300 women FPOs, i.e, 660 as women's NTFP based FPOs;
- d. 25%, of 3300 women FPOs, i.e, 82500 as women's Fishing and aquaculture based FPOs

### **III. Promoting general FPOs with minimum 30% proportion of women as shareholders and in governance structure of FPO:**

#### Logic:

While women are involved in agriculture and allied activities value chain all across, it is important to recognise to mainstream their voice and agency when an institutional structure like FPO is promoted for farmers. Unless a minimum proportion specified, FPOs may not have any women farmers either as shareholder or in the governance, within our social set up.

#### Suggestion:

- a. While Page xxxii of the operational guidelines mention that "Women famers' participation as its shareholders is to be preferred", a minimum of 33% women as share should be ensured at the formation stage of the FPO. Unless a minimum percentage is ensured, experience shows that women farmers are left out of this new institutional structure.
- b. Page xxxii, point (vii) mentions that "In the Board of Directors (BoD) and Governing Body (GB), as the case may be, there shall be adequate representation of women farmer member(s) and there should be minimum one woman member".  
Experience shows that unless specified, the governance structure or General body of FPOs do not have women in the governance. A minimum of one-woman member in the Board is too less for the role women are playing in agriculture. Foundation has already been created by the women's SHGs so well in India for women to take leadership positions in mainstream agriculture institutions. Hence, it is important to have at least 33% women in the governance structure and in general body. That will ensure women's voice in the functioning of FPO as also give due respect to women who toil day in and day out for the food security of the nation.
- c. These women members and Board members should be trained separately to match the exposure of men in the membership and governance structure so that women can contribute effectively.
- d. Curriculum should be designed, and Training of men members and Board members need to be held compulsorily, and a gender perspective need to be brought in mandatorily to listen and respect the voice of women farmers leaders.

### **IV. Gender expert as a part of NPMA: (page xix)**

#### Logic:

Since needs of women famers leaders and gender constraints that they face are different than a man farmer, it is important to build capacity of specifically of women agri-preneur leaders; along with sensitising men farmers of the FPO and value chain players in the cluster about gendered dimension of agriculture value chain and FPO.

#### Suggestions:

- a. It is important to have an expert on gender whose role would be to bring n gender perspective in the team members of NPMA, building their capacity, extending handholding support and monitoring implementation of gender targets and indicators and supporting the CBBOs for doing so.
- b. One of the important roles of Gender expert at NPMA should be to put together best practices of women FPOs – the processes, strategies and learning derived from this.

### **V. Monitoring of handholding support and KPAs (Page xx, xxi, xxvii)**

#### Logic

Unless the plan of promoting and handholding women FPOs and general FPOs with women membership is monitored regularly and in their performance appraisal, it may not be taken seriously.

### **Suggestions:**

- a. Key Performance Indicators (KPIs) of CBBOs should have targets and indicators for formation and hand holding of exclusively women FPOs as also of general FPOs, who have shareholders and women in governance structure, which will be monitored by NPMA. (page xx)
- b. Gender segregated data of all indicators for both types of FPOS: FPOs exclusively of women; and in mixed membership FPOS – should be generated and reviewed at regular intervals by CBBO and NPMA. (page xx)
- c. All data set maintained at NPMA level in the National level Data repository will be gender segregated (page xxi)
- d. Criteria suggested for Implementing Agencies for performance assessment of CBBOs should include gender segregated data of formation of FPOs and membership as per the target. (page xxvii)
- e. Criteria for assessing CBBOs should have criteria of proportion of men and women members and BOD aware about equity grant availed; credit guarantee facility availed, etc. and will change as per the implementation plan of each year of the FPO.

### **VI. agriculture value chain exert as a part of CBBO (page xxiii, point 7.1, page xxv)**

#### **Logic:**

Since needs of women farmers leaders and gender constraints that they face are different than a man farmer, it is important to build capacity of specifically of women agri-preneur leaders; along with sensitising men farmers of the FPO and value chain players in the cluster about gendered dimension of agriculture value chain and FPO.

#### **Suggestion:**

- a. It is important to have an expert on agriculture value chain whose role would be to bring a gender perspective in the team members of CBBO, building their capacity, extending handholding support and monitoring implementation of gender targets and indicators
- b. The gender expert will also ensure a gendered perspective in all community mobilisation activities – especially in base line study and value chain study.
- c. The gender expert will help bring in gender perspective in all training modules, apart from preparing module and conducting special gender and agriculture training for the members and BoD

### **VII. Gender expert in the advisory body of stake holders: (page xxvi, point 7.3.w)**

#### **Logic:**

While it is good to have an advisory body of different stake holders for FPOs at the project level, it is important to maintain gender balance as also have gender expert in the same.

#### **Suggestion:**

- a. The advisory body for FPOs at the project level should have a gender balance, with at least 30% women in the same.
- b. The advisory body must have a gender expert in the body.

### **VIII. Provision for Higher Equity grant to exclusive women FPOs: (page xxxi, point 11.1)**

#### **Logic:**

While women farmers play a significant role in agriculture, they have less access to and even lesser control over money at household level. Hence, they may not be able to raise the equity capital as much as men farmers can do, despite their significant contribution in agriculture and value chain.

#### **Suggestion:**

- a. Keeping the above logic in mind, it is proposed that the government should pay an equity grant to women FPOs in the proportion of 1:2, and not 1:1, as in general FPOs. This will help women farmers break the barriers of access to finance and get organised as FPO. This has a

bearing on the overall budget, and more funds need to be allocated for this. It may have additional implication of 750 crores if maximum permissible equity is contributed by all the 5000 women FPO; 600 crores if we limit to 4000 women FPO

**VIII. Special training and hand holding support to women FPOs and women in Governance of FPO and training in managerial skills to create women managers for women FPO:** (Page xliii, point 13, 13.1, 13.2, 13.4, 13.6)

Logic:

While the operational guidelines propose to extend handholding support for five years by professionally managed and run cluster-based business organisations, the needs, constraints and opportunities for women farmer leaders of FPOs are different than men farmers. Besides, men and overall value chain players also require gender sensitisation to listen to and respect women's voices.

**Suggestions:**

- a. A special unit should be created at the level of CBBO to train women farmers leaders – be it BoD of FPO or shareholders, taking care of the training needs and constraints of the women.
- b. Women shareholders and Board members should be trained separately to match the exposure of men in the membership and governance structure so that women can contribute effectively.
- c. Curriculum should be designed, and Training of men members and Board members need to be held compulsorily, and a gender perspective need to be brought in mandatorily to listen and respect the voice of women farmers leaders.
- d. Integration of gender perspective in all modules should be made compulsory in all its training programmes conducted by BIRD or LINAC
- e. Special training programmes need to be conducted for women BoD members across the FPOs of a state which can be a good learning forum as well for women members.

**IX. Ensuring gender balance in the implementation and monitoring mechanism at state and national level** (Page xlv, point 14; page xlvi)

Logic:

While it is important to have experts in the field, lack of voice of women in such forums result into lack of voice in leadership for women.

**Suggestion:**

- a. It is important to have gender balance in the district, state and the national mechanisms of D-MC, SLBC and N-PMAFSC reflecting commitment of the Government of India to have women in decision making positions
- b. It should be ensured that one of the two prominent farmer members or representatives of FPOs nominated as member of the N-PMAFSC Committee by Government of India, be a woman representative.

**X. Ensuring evaluation based on gender segregated data and gender targets as non-negotiable**

Logic:

What is not measured, does not get valued.

**Suggestion:**

- a. While categorising farmers is an indicator for evaluation, it is important that number of women shareholders and no of BoD members are also considered as important parameters in the evaluation.
- b. Gender indicators may also include women in active role in committees in general FPOs
- c. Gender disaggregated data on each indicators (i) No. of FPOs formed and registered; (ii) No. of farmers mobilized category-wise ; (iii) Quantum of Equity Grant provided and No. of FPOs covered; (iv) Quantum of Credit Guarantee provided for credit linkages including volume of loan availed for working capital; (v) No. of training programmes conducted for

capacity building and No. of persons trained and (vi) Business turnover of the FPOs. A comparative analysis of women FPOs v/s men's FPOs at the evaluation stage after four years on each criteria mentioned above should be done to get a picture of strengths and limitations from gender perspective.

#### **XI. Ensuring gender segregated data in all application forms**

##### Logic:

Gender segregated data gives an idea of the situation. Any gender generic term may make women invisible as normally 'farmers' indicate men.

##### Suggestions:

- a. Annex- 1 Application Form for seeking Equity Grant by FPO, Row 7: no of share holders
- b. Annex- 2: 2. Details of Board of Directors/Governing Body- need to add gender column
- c. Annex – 3: 3. Details of Members of Board/ Governing Body: need to add gender column
- d. Annex- 4: 4. Details of Shareholding of FPO Members: need to have gender segregated data here
- e. Enclosure 1- shareholders' list: separate the column of gender (from names)
- f. Enclosure –II: resolution of Board: add column of Gender
- g. Enclosure III: separate column of gender (From names)

**XII. Accordingly, the Government may change some of the gender biased terms like him (for borrower) or manpower used in the guidelines to make it gender neutral.**