

A Case Study on Kadwa Green Future Agriculture Producer Company, Khadak Sukene, Nashik in Maharashtra State

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ABSTRACT

Introduction: Agriculture is the mainstay of the economy and the main source of livelihood for about 58 percent of India's population. There are a number of legal entities that aim to help farmers reap the benefits of a moderate economy by integrating such as cooperatives, farmers 'clubs, farmers' interest groups, etc. Farmer Producer Company is a mix between cooperating organizations and limited private companies. The following research outlook was studied with following points.

- 1) To study the criteria and indicators of assessing FPO formation process and functioning.
- 2) To study the Financial Management of Kadwa Green Future Agriculture Producer Company.
- 3) To study Marketing Management of Kadwa Green Future Agriculture Producer Company.

Case presentation: The scope of the study is limited to Financial Management and Marketing Management of Kadwa Green Future Agriculture Producer Company. The present study was conducted on Kadwa Green Future APC Ltd. Based on primary data.

Results: The study says that Farmer Producer Organizations are collective platform to marginal and small farmers. Kadwa Green Future Agriculture Producer Company can go for the MOA (Memorandum of Agreement) to maintain the loyalty of farmers.

Keywords: Farmer; Agribusiness consortium; Agriculture; Rain-fed

INTRODUCTION

India has over 92 million small holdings or nearly 21% of the world's small holdings of 450 million, the second largest after China. Agriculture is the mainstay of the economy and the main source of livelihood for about 58 percent of India's population. During Indian independence the sector played a major role in the Gross Domestic Product of India. There are a number of legitimate companies that aim to help farmers maximize economic benefits by combining them such as co-operatives, farmers 'clubs, farmers' interest groups, etc. FPOs are registered under the Indian Companies Act, 1956. Producer organizations should therefore be non-political organizations intended to provide business services to members of smallholder farmers, based on the principle of independence [1].

Farmer Producer Company is a mix between cooperating organizations and limited private companies. The purpose of the FPC concept is to unite farmers into a team to improve their market negotiation capacity.

Department of Agriculture, Cooperative and Farmer Welfare (DAC and FW), Department of Agriculture, Government of India has launched a pilot program to promote Farmer Producers' Organizations (FPOs). This was in collaboration with the provincial governments and was started through the Small Farmers 'Agribusiness Consortium (SFAC).

The pilot program includes the promotion of approximately 2.50 lakh farmers to 250 FPOs (each with members of between 1000 farmers) nationwide, under two Rastriya Krishi Vikas

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Yojana (RKVY) sub-schemes, the National Vegetable Initiative for Urban Collections and the Blind Development Program in 60,000 rain-fed villages. The aim of the pilot program was to bring farmers, especially small and medium producers, across several provinces, to promote the use of technology, improve productivity, facilitate adoption of good agricultural practices, enable improved access to inputs and loans, and improve direct marketing capacity and thus improve the income of farmers, and increase their agricultural livelihoods [2].

The pilot program has already shown encouraging results and more than 3 lakh farmers have been recruited into Farmer Interest Groups (FIGs), comprised of registered FPOs. In addition to the institutionalization of Farmer Producers' Development Processes, DAC and FW then released the Farmer Producers' Associations' Policy Process and Guidelines in 2013 to encourage provinces to directly support the promotion of FPO as a general function under RKVY during Program XII. The main purpose of uniting farmers into member producer organizations, or FPOs, is to improve the productivity, productivity and profitability of farmers, especially small and medium scale farmers. The Government of India has announced its intention to promote 10,000 FPOs over the next 5 years to ensure a sustainable economy for farmers in the country. Similarly, SFAC has developed a strategy to increase the number of FPOs that are almost the cause of the FPO organization in the country, which will eventually become part of the smallholder or unemployed farmer [3].

CASE PRESENTATION

Concept of FPO

The main reason for the development of FPOs is the generally different size and small size of Indian farmer areas. With less than one hectare of land available, farmers are not able to enjoy each economy and cannot invest in farm machinery/technology to improve farm production, or to buy agricultural inputs or to reach consumers directly. FPO integration is the only way for farmers to improve their negotiation and farm-related value-

Table 1: Terms and conditions for evaluating FPO design process.

Sr. no.	Criteria	References
1	Signs	Size: good enough to work and socially cohesive Social cohesion: kinship or other social relationships, lack of dependence on relationships. <ul style="list-style-type: none"> • Can be governed by strong political/economic members • Poor people and women are included (if approved)
2	Ownership and structure	<ul style="list-style-type: none"> • Members know the purpose of making a Producer Company • Members represent their families • There is a continuation of family representatives

gathering capacity, as it has also been established through various programs [4].

Purpose of FPO

The aim of the project is to bring farmers together, especially smallholder producers, at various levels in several provinces, to promote technological innovation, improve productivity, enable improved access to resources and increase farmers' income, thus strengthening their sustainable agriculture (Table 1).

Objectives of study

- 1) To study the criteria and indicators of assessing FPO formation process and functioning
- 2) To study the Financial Management of Kadwa Green Future Agriculture Producer Company
- 3) To study Marketing Management of Kadwa Green Future Agriculture Producer Company

The scope of the study is limited to Financial Management and Marketing Management of Kadwa Green Future Agriculture Producer Company. The present study was conducted on Kadwa Green Future APC Ltd. Based on primary data. The primary data were collected through a well-designed questionnaire by taking actual interview of 40 members (Nashik District) [5].

RESULTS AND DISCUSSION

The criteria and indicators of assessing FPO formation process and functioning

This framework contains a set of Institutional Growth Terms and Conditions, which are considered essential in quality assessment to ensure that the process of PC design and functioning contributes to the strengthening of the PC control system. Suggested set of terms and IMIs provided below:

		<ul style="list-style-type: none"> • All members can report on all activities of the Producer Company • All members can provide a (Generally) financial account of the Producer Company
3	Leadership	<ul style="list-style-type: none"> • Leadership roles change over time • Leaders are selected/elected by members <p>A choice/leadership of a leader based on what they want</p>
4	Performance	<ul style="list-style-type: none"> • The Producer Company has a set of rules (by-laws) discussed and agreed upon and penalties for offenders. • A regular meeting of the BOD and AGM is attended by key people • The majority of members (90%) participate in BOD/AGM discussions and decision-making • Current record keeping and compliance
5	Independence (depending on PC age)	<ul style="list-style-type: none"> • Approximately 2-3 (monthly) BOD/AGM meetings are held whenever there is no development center or with reduced support. • Records kept externally or with little support from the Promotional Agency (PA) • About 70%-75% of decisions are made outside of advertising agency.
6	Consolidation of resources	<ul style="list-style-type: none"> • The producer company collects funds to run the business • Additional costs are associated with your services • The Producer Company incorporates specialized skills or services from government and private sources • The producer company gets the government. program to meet identified needs (integration with other programs)
7	Resource management	<ul style="list-style-type: none"> • Corporate Development is developing a business plan and its implementation is as planned. • The Producer Company has demonstrated the ability to negotiate with various stakeholders • The Producer Company effectively manages/manages the work of executives who act as directors • Budget control • Transparency
8	Acquisition and skills use	<ul style="list-style-type: none"> • About 80% of BOD members attend training programs (including special training) • The BOD used planning skills to identify and resolve operational issues

- Equitable distribution of benefits (benefits and resources)
- Improved profit sharing

Financial management

Share capital: Budget or equity means the total amount paid to the company/community by all shareholders Members (farmers 'producers/farmers' producer institutions) for their shares. It represents the type of member's commitment to the group and defines the role of each member in the group. In the Manufacturer Company it will contain only equity shares.

Special features of equity share capital in the case of Producer Companies are

- In determining the cost of shares and the number of shares per member, the ability to pay dividends for shareholders is also taken into account.
- There is no bar in the number of shares per member in the Company Act.
- It is suggested that there should be an equal number of shares between members in order to maintain balance in the Producer Company power structure.
- Procedures for distribution should be stated in the Articles of Association.
- Eligible members of the public can apply on the membership application form (specified in the Act.) to the BoD. The General Body (GB) is the final authority to approve or deny an application for membership.
- Shareholders finalize the company's principal authorized capital and cost per share. g. Share capital transfers are limited to members for an equal amount on Producer Company.
- The amount collected by shareholders may be used for registration fees and other processing-related expenses such as Company Secretary fees, standing, tourism etc. In the books of accounts, they can be shown as loans taken from stocks. Once a company has collected resources through business it can be refunded.
- The minimum number of producers required to build a Producer Company is 10, while there is no limit to the maximum number of members and can be increased by possibility and demand.
- There will not be any part of the government or private sector in the manufacturing companies, which means that the PC cannot be a public company or considered a public entity.

Authorized capital: The maximum amount the company/organization is authorized to raise in the form of equity shares is the Articles of Association/Memorandum of Association. The minimum amount authorized at the time of installation of the Producer's Company should be Rs.5 lakh [6].

Issued capital: The share price given to members in their names is called the issued capital.

Financial management of the kadwa green future apc Ltd

1. The starting capital was raised up by the directors.
2. Each director has raised up Rs.50,000, which leads to the starting capital of Rs 5,00,000
3. From 2016-17 the Kadwa has took a boost and grows in such a dynamic way, and then the capital starts generating through various sources.
4. The turnover of Kadwa has crossed 1 cr.
5. The sale of agricultural inputs is carried only on cash basis, so the daily fund (Around 35 thousand) gets generated on selling of inputs.
6. There are around 300 types of fertilizers are maintained at Mohadi counter. The daily collection through sale of fertilizers is around Rs. 8-10 thousand.
7. Around 1300+ types of pesticides are stocked. The daily collection through sale of Pesticides is around Rs. 20-25 Thousand.
8. The fund is generated through the selected percent of margin from exporter's or through the other marketed produce as well as through the margin received on the sale of agricultural inputs to the members and farmers.

Overall income by the export of grapes

- Thompson seedless
- (Berry size- 15 mm, Colour- Amber, Packing- 4.5 Kg. or 9 Kg.)
- (Around 40 tons) Rate/Kg- Rs. 60
- Rs. 2400000

Sharad seedless

- (Berry size- 16 mm, Colour- Black, Packing- 4.5 Kg. or 9 Kg.)
- (Around 50 tons) Rate/Kg- Rs. 95
- Rs. 4750000

Flame seedless

- (Berry size- 16 mm, Colour- Pink Red, Packing- 4.5 Kg. or 9 Kg.)
- (Around 20 tons) Rate/Kg- Rs. 90
- Rs. 1800000

Overall income through bottle gourd

- Quantity- 20 Tons, Rate/kg Rs. 20
- Rs. 400000

Overall income through tomato

- Quantity- 30 Tons, Rate/kg Rs. 40
- Rs. 1200000

Marketing management of the kadwa green future APC Ltd

The marketing of the produce of crops grown by members of Kadwa has been done by following ways [7].

Grapes

- Major Lot of the grapes has been exported to Russia and other country.
- The company had understandings among the various exporters regarding the provision of the quality grapes.
- One of the directors of the company has the experience of 15+ years in the field of Grapes export.
- Also, the company has dealing with the Grape Berry Vineyards at Nashik regarding the sale of the grapes.

Tomato

- Company collects the tomatoes among the group of farmers, and if the quantity is more than the tomatoes are moved towards the big markets of tomatoes such as Narayangaon, Sawargaonpat, Girnare.
- And if the amount is less than the tomatoes are marketed in the nearby APMC's [8,9].

Pumpkin

- The pumpkins are marketed in the nearby APMC's.

Supply Chain Management of the Kadwa Green Future APC Ltd.

Supply chain management of KADWA is as follows,

Backward linkage

Farmer → FPO

Forward linkage

FPO → Exporter → Export to Russia

FPO → Wholesaler → Retailer → Consumer

CONCLUSIONS

- Farmer Producer Organizations are collective platform to marginal and small farmers.
- The backward linkage for timely availability and access for quality inputs at reasonable cost, and forward linkage to effective marketing and the sources of credit facilities, positive contribution of aggregation to enhancing income, the issues

faced by farmers are key factors that impacting performance of FPOs.

- To reduce this FPO must follow key indicators assign formation process according to criteria.
- The Director committee of Kadwa Green Future Agriculture Producer Company and registered farmers must be careful about their relationship and build up trust. So farmers became loyal towards organization which is helpful for future success.
- Kadwa Green Future Agriculture Producer Company can go for the MOA (Memorandum of Agreement) to maintain the loyalty of farmers. MOA will allow the farmers to sale all the produce to FPO instead of selling it directly to the market.
- Famer's selling habits changes according to the market fluctuations. Kadwa Green Future Agriculture Producer Company should go for the expansion of infrastructure, if possible, may be through the various subsidy's provided by govt. as well as by own fund.

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