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Impact Of Government Schemes On The Marketing Strategies Of Farmer Producer Companies In Maharashtra

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Abstract: Farmer Producer Companies (FPCs) in Maharashtra have emerged as an important organizational model to enhance the bargaining power of smallholder farmers and improve their market access. While these entities have made significant strides in improving agricultural productivity, their ability to adopt innovative and sustainable marketing strategies remains a challenge. The Indian government has introduced several schemes aimed at enhancing the viability of FPCs, particularly in terms of marketing, infrastructure, and financial support. This paper explores the impact of government schemes on the marketing strategies of FPCs in Maharashtra, assessing both the successes and challenges in implementing these programs. Through qualitative analysis and case studies, this paper highlights how government interventions have facilitated market access, promoted the adoption of digital marketing tools, and supported capacity building in FPCs. However, it also uncovers limitations such as inadequate funding, slow implementation, and resistance to technological change. The findings suggest that while government schemes have the potential to significantly improve FPCs' marketing capabilities, there is a need for more targeted, localized, and flexible interventions.

Index Terms :- Farmer Producer Companies (FPCs), Government Scheme, Marketing Capabilities

Introduction-In recent years, Farmer Producer Companies (FPCs) have emerged as a pivotal model for enhancing the economic stability of farmers in India, particularly in Maharashtra. These collectives aim to empower smallholder farmers by providing a platform for collective action, better access to markets, and improved negotiation power with buyers. However, despite these advantages, FPCs often struggle to adopt and implement effective marketing strategies due to limited resources, inadequate infrastructure, and a lack of technological know-how.

Recognizing these challenges, the Indian government has rolled out several schemes aimed at fostering the growth of FPCs, especially by improving their marketing capabilities. These schemes include financial support, subsidies, capacity building, and the promotion of digital tools to enhance market access. However, the effectiveness of these schemes in transforming the marketing strategies of FPCs, especially in Maharashtra, remains unclear. This paper seeks to assess the impact of these government initiatives on the marketing practices of FPCs in Maharashtra and provide insights into how these programs can be improved.

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2. Literature Review

Several studies have explored the role of government schemes in strengthening the agricultural sector and supporting cooperatives in India. For instance, **Rao et al. (2018)** examine the role of government schemes like the **FPO (Farmer Producer Organization) Scheme** in facilitating market access for smallholder farmers. The authors argue that financial assistance, training, and market linkages provided by the government are instrumental in improving the operational capacity of FPCs.

Similarly, **Verma (2020)** highlights the role of **Pradhan Mantri Kisan Sampada Yojana (PMKSY)** in supporting agro-processing and improving marketing infrastructure, which benefits FPCs by reducing post-harvest losses and creating new market avenues. However, studies also point out the slow pace of implementation and challenges in meeting the expectations of farmers, especially in rural and remote areas (Singh & Joshi, 2019).

The impact of government schemes on digital marketing adoption within FPCs has also been studied. **Bhatia et al. (2021)** argue that government initiatives like the **National Agriculture Market (eNAM)** platform have opened up new avenues for FPCs to sell their produce directly to consumers and traders. However, challenges such as digital literacy, poor internet connectivity, and infrastructural bottlenecks remain significant barrier

3. Methodology

This study adopts a qualitative research approach, including interviews and case studies, to assess the impact of government schemes on the marketing strategies of FPCs in Maharashtra. A purposive sampling method was employed to select five active FPCs in the region that have benefitted from government schemes. The following data collection methods were used:

- **Interviews with key stakeholders:** This includes managers and board members of FPCs, government officials, and representatives from NGOs working with FPCs.
- **Case Studies:** Three FPCs in different districts of Maharashtra were chosen to understand the practical impact of government schemes.
- **Document Analysis:** Government reports, scheme guidelines, and FPC financial statements were reviewed to assess the financial and operational impact of government interventions.

The data was analysed thematically to identify patterns and insights regarding the effectiveness of government schemes in enhancing the marketing strategies of FPCs.

4. Government Schemes Supporting FPCs in Maharashtra

Several government schemes have been instrumental in providing financial, infrastructural, and technological support to FPCs in Maharashtra:

1. **FPO Scheme:** Launched by the Ministry of Agriculture and Farmers' Welfare, the FPO Scheme aims to provide financial support for the formation and strengthening of FPCs. Under this scheme, the government offers funding for marketing infrastructure, including cold storage facilities, packaging units, and market linkages.
2. **PMKSY (Pradhan Mantri Kisan Sampada Yojana):** This scheme focuses on agro-processing and the creation of market infrastructure, which benefits FPCs by reducing post-harvest losses and

enhancing value addition. FPCs can access financial support for processing units, cold chains, and modern packaging solutions under this scheme.

3. **eNAM (National Agriculture Market):** eNAM is an online platform that connects farmers with buyers across the country, facilitating better price discovery. FPCs can list their produce on this platform, bypassing intermediaries and getting access to larger markets.
4. **DIGI-AGRI:** A digital initiative aimed at promoting the use of technology in agriculture, DIGI-AGRI encourages FPCs to adopt digital tools for marketing, including mobile apps and e-commerce platforms.

5. Findings and Discussion

5.1 Impact on Market Access

Government schemes have notably improved the market access of FPCs in Maharashtra. Through the eNAM platform, FPCs have been able to sell directly to wholesalers and retailers, cutting out middlemen and ensuring better price realizations. However, many FPCs continue to face challenges with the slow adoption of eNAM due to factors like poor digital literacy, internet connectivity issues, and resistance to technological change among farmers.

5.2 Financial and Infrastructural Support

The FPO Scheme and PMKSY have provided much-needed financial support for infrastructure development, including cold storage facilities and processing units. These investments have improved the shelf-life of products and reduced post-harvest losses. However, the financial support often comes with stringent requirements, and many smaller FPCs struggle to meet these conditions, limiting their ability to fully utilize the funds.

5.3 Capacity Building and Training

Government schemes have played a crucial role in capacity building by providing training on financial management, marketing strategies, and digital literacy. FPC managers and board members have gained critical skills in navigating market challenges and adopting new marketing tools. However, the reach and quality of training programs are inconsistent, particularly in remote areas, limiting the overall impact.

5.4 Challenges in Adoption of Innovative Marketing Strategies

While government schemes provide the resources, FPCs often face internal challenges such as a lack of skilled personnel, inadequate managerial capacity, and resistance to change. For example, despite the availability of digital marketing tools through the DIGI-AGRI initiative, many FPCs have not fully embraced these tools due to concerns over data security and a lack of confidence in the new systems.

6. Conclusion and Recommendations

The study highlights that while government schemes have provided significant support to FPCs in Maharashtra, challenges remain in the effective adoption of innovative marketing strategies. These schemes have helped improve market access, reduce post-harvest losses, and provide essential financial and infrastructural support. However, the slow pace of implementation, digital divide, and limited capacity-building efforts hinder their full potential.

Recommendations:

1. **Enhanced Training Programs:** There is a need for more localized, hands-on training programs to build the capacity of FPC members and managers, particularly in digital marketing and financial management.
2. **Flexibility in Scheme Implementation:** Government schemes should be more flexible, taking into account the unique challenges faced by smaller FPCs, and providing customized support.
3. **Improved Infrastructure and Connectivity:** The success of digital platforms like eNAM depends on reliable internet connectivity. The government should invest in improving rural infrastructure to ensure that FPCs can fully leverage these tools.
4. **Public-Private Partnerships:** Collaboration between the government, private sector, and NGOs could facilitate greater market linkages, knowledge-sharing, and access to advanced marketing technologies.

In conclusion, government schemes have a crucial role to play in supporting the marketing strategies of FPCs in Maharashtra. However, their success depends not only on the availability of resources but also on their effective implementation, adaptation to local contexts, and the capacity of FPCs to embrace new marketing paradigms.

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