



संदर्भ सं.राबै.हिप्र/ 676 /एफएसडीडी/ पी.ओ.पी.आई/2022-23
20 मार्च 2023

SANCTION LETTER

डॉ संजय ठाकुर,
प्रमुख अन्वेषक
कैरियर प्वाइंट यूनिवर्सिटी,हमीरपुर
हिमाचल प्रदेश-176041

महोदय/ महोदया,

<p>विषय: नाबार्ड द्वारा समर्थित किसान उत्पादक संगठनों का प्रभाव मूल्यांकन अध्ययन</p> <p>उपरोक्त अध्ययन हेतु कृपया 18 मई 2022 के अपने पत्र, उसके बाद 2 मार्च 2023 को हमारे कार्यालय में हुई चर्चा और 4 मार्च 2023 को आपके द्वारा प्रस्तुत संदर्भ की शर्तों को देखें।</p> <p>2. इस संदर्भ में, हम नाबार्ड द्वारा समर्थित हिमाचल प्रदेश में किसान उत्पादक संगठनों (एफपीओ) के प्रभाव मूल्यांकन अध्ययन के लिए कैरियर प्वाइंट यूनिवर्सिटी, हमीरपुर, हिमाचल प्रदेश (नाबार्ड द्वारा समर्थित कुल एफपीओ का नाम और पता संलग्न है) को रुपये 8,36,000/- (आठ लाख छत्तीस हजार केवल) का कार्य प्रदान कर रहे हैं।</p> <p>3. यदि प्रभाव मूल्यांकन अध्ययन के उपरोक्त नियम और शर्तें आपको स्वीकार्य हैं, तो आप कृपया 24 मार्च 2023 तक प्रत्येक पृष्ठ पर अपने हस्ताक्षर और मुहर लगाकर अपनी सहमति दर्शाते हुए इस पत्र की एक प्रति वापस करें।</p>	<p>Subject: Impact Evaluation Study of Farmers' Producer Organizations supported by NABARD</p> <p>Please refer to your letter dated 18 May 2022, subsequent discussion held at our office on 2nd March 2023 and revised terms of reference submitted, by you on 4th March 2023 for the captioned study.</p> <p>2. In this context, we are pleased to award the work of conducting the Impact Evaluation study of Farmers' Producer Organizations (FPOs) supported by NABARD in Himachal Pradesh (Names and address of total FPO supported by NABARD is attached) to Carrier Point University, Hamirpur, Himachal Pradesh for an amount of Rs. 8,36,000/- (Eight lakh Thirty Six Thousand only) as per attached terms of reference.</p> <p>3. If above terms and conditions of Impact Evaluation Study are acceptable to you, then you may kindly return a copy of this letter indicating your consent by affixing your initials and seal on each page by 24th March 2023.</p>
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भवदीय


(राकेश कुमार अग्रवाल)

उप-महाप्रबंधक

संलग्न : यथोक्त

राष्ट्रीय कृषि और ग्रामीण विकास बैंक, हिमाचल प्रदेश क्षेत्रीय कार्यालय, शिमला
National Bank for Agriculture and Rural Development
Himachal Pradesh Regional Office, Shimla

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Block No. 32, SDA Complex, Kasumpti, Shimla-171009 (H.P.) Tel. : 0177-2622258, 2624380, 2623323, Fax : 0177-2622271, E-mail: shimla@nabard.org

Terms of Reference

1. **Title of the Project:** Functioning and Effect of Farmer Producers Organizations (FPOs) on Income, Employment and Livelihoods of Marginal and Small Farmers: An Empirical Study in Himachal Pradesh
2. **Principal Investigator:** Dr. Sanjay Thakur, Professor Department of Commerce and Management, Career Point University, Hamirpur (H.P.)
3. **Co-Investigator:** Professor H R Sharma, Professor & Dean Academics, Career Point University, Hamirpur (H.P.)

4. Research Questions

1. To what extent the FPOs are performing functions envisaged in the theory
2. To what extent small and marginal farmers after joining FPOS have overcome their scale infirmities?
3. How the production practices of member farmers have changed in the aftermath of their joining FPOs?
4. How the formation of FPOs have affected farmers' behavioural attitude in terms of other day to day activities?
5. What are different types of activities/crops in which FPOs are engaged and how far these products are being supplied to modern market supply chain?
6. To what extent formation of FPOs has succeeded in linking smallholders to super market supply chain? To what extent these organisations have succeeded in eliminating the middlemen?
7. Under what situations super market supply chains are more likely to enter into an agreement with FPOs?
8. In what respects the formation of FPOs have helped the member farmers to face competition and deal with the competitive markets?
9. What has been effect of the formation of FPOs on farmers' livelihoods in terms of income and employment?
10. What are the main lessons learnt from the functioning of FPOs during the last eight to ten years?
11. What are the policy changes that are required to make these more effective and instrument of change?

5. Hypothesis

The study aims to test a number of null hypotheses some of which are given below:

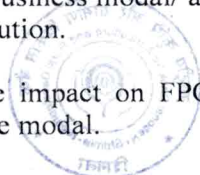
- i. The formation of FPOs does not alleviate scale infirmities of the small and marginal farmers.
- ii. The internal composition of FPOs does not have any effect on the functioning of FPOs
- iii. The formation of FPOs have not improved the bargaining power of the member farmers in terms of getting better price for their produce
- iv. The formation of FPOs has not resulted into cheap access to inputs and also in getting higher price for their produce.



- v. The formation of FPOs has not made any effect on member farmers' livelihood in terms of effect on income and employment.

6. Objectives

1. To study organizational structure of the selected FPOs, their composition in terms of membership, socio economic profile of the members, different crops and enterprises in which the members are engaged, and so on.
2. To study the role of different institutions and agencies like Cluster Based Business Organisation (CBBO), National Management Project Agency (NPMA), National Bank for Agriculture and Rural Development (NABARD) and other agencies and the government in the promotion of Farmer Producers Organisations;
3. To document the innovative practices adopted by the members in the aftermath of the formation of FPOs and their integration with super market supply chain at different levels of Supply Chain Operations Reference Model (SCORM) like plan, source, make, deliver and farmers' access to modern technology, extension services and other inputs and its effect on inputs use, crop diversification, production, productivity and profitability;
4. To study nature of integration of FPOs with super market supply chains and empowerment of farmers in terms of their bargaining skills and its effect on marketing of crops, post harvest operations and value addition in terms of grading, processing and packaging and the price realized by the farmers.
5. To study the impact of these organizations on the economic position of the smallholders in terms of income, employment and livelihoods.
6. To document problems and challenges faced by FPOs in terms of availability of capital, turnover over the years, number of member farmers, support received from different agencies, integration with supply chain and the assistance received from the sponsoring agency.
7. To suggest appropriate policy interventions to enable FPOs realize their envisaged goals/objectives
8. Social, financial and economic impact on members and factors attributing the same. Comparison with non-members.
9. Study the effectiveness of governance-note of BOD's and CEO in positive/stagnant business growth. Effect of capacity building on governance.
10. Assessment of level of credit-linkage & convergence with banks & other stakeholders. Factors affecting the same.
11. Enumeration of best business modal/ activities in the study gap w.r.t. improvement in turnover and profit distribution.
12. Outlining the income impact on FPO as result of predominant backward linkage modal and forward linkage modal.



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7. Methodology

I. Selection of Sample

- i. Selection of four districts; one each from four agro-climatic zones
- ii. Selection of 15-20 FPOs who are functioning for more than five years and doing business in different crops/areas following a proportional allocation method
- iii. Selection of 1-2 FPO from those who have stopped functioning from each of the four selected districts
- iv. Selection of 10 per cent of the farmer members from each of the selected FPO following proportional allocation method with total sample of about 200 farmer members
- v. Selection of 15 farmers from each of the four districts in the neighborhood of selected functional FPOs who have not become members of these organizations

II. Collection of Data

- i. Preparation and pres-testing of the schedule/questionnaire
- ii. Collection of data from the sample households through personal interview method
- iii. Collection of data through semi-structured interviews from the members of the management, CEO, sponsors, supply chain officials, etc
- iv. Collection of published/secondary data from the published sources like reports, etc.

III. Analysis of Data

- i. Use of suitable statistical/econometric methods to analyze the data to answer proposed research questions, test hypotheses and accomplish the objectives of the study.
- ii. Use of simple tabular analysis and computing descriptive statistics like mean, standard deviations to analyze and interpret the data
- iii. Eliciting response of the farmers on different aspects like pre-harvest services, access to technology, value addition, and its arrangement on a five point scale like very poor, poor, good, very good, and excellent
- iv. Estimating suitable regression model like logit regression model to quantify the factors which determine the probability of a farmer household joining or not joining these organizations.

8. Expected Outcome

- i. Detailed Project report with clear cut policy recommendations to improve/strengthen the functioning of FPOs and make these organizations a powerful tool to improve economic conditions of the small and marginal farmers.
- ii. A brief booklet with dos and donts for streamlining the functioning of FPOs and make these more effective.



9. Time Frame (Time Budget) 9 Months.

10. Resource Budget (Recurring Expenditure): Rs. 8,36, 600

