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### Strategy for ensuring small farmers income security through Farmer Producers Organizations in North-East India

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#### ABSTRACT

Farmer producer organizations (FPOs) have brought a few institutional and structural reforms in Indian Agriculture which has led the paradigm shift from the individual to group approach. One such form of FPOs is farmer producer company (FPC), is a hybrid between cooperative societies and private limited companies, act as joint-stock companies, where primary producers pool their products to get easy marketing. FPCs are made for economical upliftment of marginal and small farmers. North eastern India is dominated by small and marginal farmers, where the role of FPC is immensely important. The data regarding growth pattern of the FPOs revealed that the states of Assam and Sikkim showed a positive trend in the total number of farmers organized under FPOs over the years. To enhance the farmers' competitiveness in emerging market opportunities and make their income double, the FPOs have ample competence to be a perfect business model. But the prevailing ecosystem for the FPOs in this region has enough scope for improvement, as the infrastructural facilities and technical services are a little weak here. The review has critically analyzed the growth pattern and importance of FPOs to increase the farm income, ecosystem exist and also discussed about the strategies for better promotion of FPOs especially how all the organizations can come together for the wellbeing of marginal and small holders with a focus on the promotion of special-specific agricultural product based FPOs.

#### 1. Introduction

The farming system of North-Eastern India is predominantly occupied by marginal and small farmers and their scattered-fragmented landholdings. The nature of agricultural practice and the livelihood process in NEHR are based upon the topography and agro-ecology where land belongs to the 'people' (Datta, 2017). The factors such as scattered-fragmented landholdings, the rising cost of cultivation, lack of proper access to technology and markets lead to unproductive output. Marginal-Small farmers individually are not only unable to create scale of economies, have low bargaining power, lack capital, knowledge,

information and market access, and suffer from poor infrastructure and communications (Biénabe and Sautier 2005; Mercoiret and Mfou'ou 2006; Barham and Chitemi 2009, Teshome et al. 2009). It was found that average net sown areas in NEHR are less compared to the national average. Except for Nagaland, the agricultural landscape of the N-E region is primarily occupied by the marginal farmers, and the lowest average size of holdings was reported in the state of Tripura (0.30 ha) (Table 1). In Assam, 86.2 percent of total farmers are small and marginal; while the same was 96.32 percent in Tripura (All India reports on Number and area of operational holdings, Agriculture Census, 2015-16).

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Low productivity and vulnerable agricultural production systems are the principal force behind the deteriorated livelihood of the NEHR farmers. According to Barah, 2007 the smaller size of the total cultivable area prohibits horizontal expansion of agricultural production practices. Mainly these small - marginal are exposed to the high risk and uncertainties in farming. In India, it's very challenging to ensure the smallholdings are truly productive. The question was how to aggregate these smallholders and bring in economies of scale and to optimize benefits through effective and efficient means of aggregation models (Paty and Gummagolmath, 2018) and that situation demands institutional and structural reforms in Indian Agriculture which leads to a paradigm shift to group approaches from an individual. Different farmers producer organizations (FPOs) has mobilized the farmers in different forms of organizations like commodity interest groups (CIGs), farmers interest groups (FIGs), women food security group, self-help groups (SHGs) etc. These different FOs are small in size, typically comprise of 15 to 20 members, and mainly lack to produce enough marketable surpluses. These farmer organizations (FOs) are generally confined to a local hub or regional rural market, lacking the proper value addition or processing and branding facilities, unfortunately, which led to low remunerative price to the farmers. Even though for many FOs proper guideline is there but in many cases, farmer members don't have an adequate managerial skill which sometimes creates a divergence in the group. To make the FOs stronger and effective way of life of the marginal-small holders, farmer producer companies (FPCs) are the supreme and unavoidable solution. In 2002, through an amendment the Government of India (GoI.) enacted the producer companies act by incorporating a new section IXA based on the recommendations of the Y.K. Alagh Committee (Mondal, 2010). The objective of the Government of India for such an initiative was to formulate legislation that would enable the

incorporation of cooperatives as companies and the conversion of existing cooperatives into companies. A producer organization is defined as formal rural organizations whose members have organized themselves to improve farm income through improved production, marketing, and local processing activities (Rondot and Collion, 2001). The farmer producer's organizations (FPOs) mainly collectivize the primary producers, especially the small and marginal farmers.

A Producer Company (PC) is one such and quite new permissible entity of the farmer producers of any agricultural products. A farmer producer company (FPC) is hybrid between cooperative societies and private limited companies, mainly act as joint-stock companies, where primary producers pool their products to get easy marketing, better economics. Kakati and Roy, 2019 affirmed that the FPCs models have to balance their goals in terms of profitability and welfare as its hybrid output of 'private company' and 'cooperative society'. Realizing the importance Datta, 2004 reported that creation of countervailing power, access to capital markets on favorable terms, risk management, and income improvements are the other major reasons for establishing farmers' organizations. The FPCs have emerged as the most effectual means of FPOs in this era of making farmers' income double. In many parts of the country, FPC remains successful in the mobilization of farmers in collective mode and helps them in giving profitable market linkage. In this article an attempt has been made to review the existence, status, and scope of FPOs with special attention to FPCs in addition to its potentiality to harvest the high and better income by the farmers of North-East India.

The paper is based on secondary data collected; published papers, reports, documentaries, sites of organizations working or discussed about the different aspects of farmers producer organizations/farmers producers companies

**Table 1.** Percentage and the average size of operational holdings of marginal and small farmers in N-E India

<i>States</i>	<i>Percentage of Operational holdings</i>		<i>Average Size of operational holdings (ha.)</i>	
	Marginal	Small	Marginal	Small
Arunachal Pradesh	23.98	21.24	0.53	1.27
Assam	68.13	18.07	0.42	1.41
Manipur	50.97	32.39	0.53	1.29
Meghalaya	52.82	25.93	0.46	1.29
Mizoram	50.08	30.61	0.60	1.28
Nagaland	4.18	15.16	0.56	1.24
Sikkim	61.92	17.85	0.41	1.39
Tripura	87.95	8.37	0.30	1.46

Source: All India reports on Number and area of operational holdings, Agriculture Census 2015-16, DAC, Mo. A& FW, GOI, 2018

especially in North-East India were reviewed. The methodological idea was to gather information on the status of the emerged agricultural product-based FPOs mainly FPCs in N-E India. Our general intention is to analyze the potentiality of FPOs with a special focus on FPCs as an approach for small-marginal holder's participation in the emerging market scenarios for doubling their farm income. This paper has presented in to four sections. We tried to outline and analyses the status and growth pattern of FPOs in North-eastern states, followed by its' potentiality for doubling the farmers' income. Further, we discussed little about the ecosystem prevails in the region and in next; we talked about strategies to boost the better ecosystem for the development and growth of the FPOs in North-East India.

#### **Growth pattern and Status of FPOs/FPCs in North-East India:**

As per the guidelines, any minimum 10 or more primary producers or by institutions or combination of both may organize as a FPC. Research has found that 800-1000 farmers are a good size for agriculture-based producer companies in the initial years (Chauhan, 2015). Actually, farmer organizations are nothing new, but the forces that are driving transformations in agricultural marketing systems worldwide also appear to affect the types of FPOs that are operating today (Trebbin, 2014). The typical facet of the FPCs is there is no government or private equity stake in the producer companies. Realizing the potential, the Government of India has announced to establish ten thousand FPOs in the country (PIB, MoA&FW, GOI,2021). Small Farmers and Agribusiness Consortium (SFAC) under Department of Agriculture, Corporation and Farmers Welfare, GOI along with NABARD and National Cooperative Development Corporation (NCDC) are the nodal agency to develop and promote the FPOs and to help all the state governments in the same.

Two central sector schemes, vegetable initiative for urban clusters (VIUC) and Integrated Development of 60,000 pulse villages in rain fed areas has expanded in its scope and covers special FPOs projects being taken up by some state governments under general RKVY funds National Demonstration project under the National Food Security Mission (NFSM) as well as under the Mission for Integrated Development of Horticulture (MIDH).

Group approaches have immensely gained importance over time in Indian agriculture. Analysis of the reported data from North-east India revealed that numbers of registered farmers were increased over the years. The data presented in Table 2 revealed that impressive growth was found in all the states except Arunachal Pradesh and Tripura. Surprisingly, the states like Assam and Sikkim showed an affirmative figure in the total number of farmers organized under FPOs over the years. The reported data from the Sikkim state discloses that there were only two FPOs earlier in 2016, and later in 2018 the number has reached to total of thirty FPOs, promoted by SFAC. The farmers in FPCs were mainly engaged in organic farming as the Sikkim state has achieved the tag of being '*organic*'. With this brand name, Sikkim farmers were able to market their products in the other states of the country. SFAC has also implemented an equity grant and credit guarantee fund scheme (EGCGFS) for promoting as well as sustaining the farmer producer companies. They support for equity base of FPCs by providing equity grants up to a maximum of ₹ 10.00 lakh and set up a credit guarantee fund to afford risk cover to banks. The agency is also organizing many awareness campaigns on a customary basis in different states including north-eastern states. Two central sector schemes like vegetable initiative for urban clusters (VIUC) and integrated development of pulse villages in rainfed areas are also working for the development

**Table 2.** Number of farmers registered under FPOs in the North-Eastern States

State	By SFAC		By NABARD		By others		Totals	
	No. of farmers Registered (31.05.2020)	No. of FPOs Registered	No. of farmers Registered	No. of FPOs Registered	No. of farmers Registered	No. of FPOs Registered	No. of farmers Registered	No. of FPOs Registered
Assam	10831	12	13606	40	*	*	24437	52
Arunachal Pradesh	3370	2	103	1	*	*	3473	3
Manipur	6450	8	3082	8	*	*	9532	16
Meghalaya	2990	3	1409	9	*	*	4399	12
Mizoram	1700	1	3266	16	*	*	4966	17
Nagaland	3000	2	1094	5	*	14	4094	21
Sikkim	16265	30	856	4	*	*	17121	34
Tripura	2692	4	0	0	*	*	2692	4

\*Source: SFAC, MoA&FW, GoI., <https://nabfpo.in/images/staticFPO.html> \* not available

of FPOs. Even some state governments are also doing great; under general RKVY, NFSM and MIDH are also supporting to mobilize the small holders under different FPOs. There are many FPOs in the north-eastern region which was promoted by Producers Organization Development and Upliftment Corpus (PRODUCE) of NABARD, Government of India. During 2014-15, the Government was created PRODUCE Fund with a corpus of ₹ 200 crores in NABARD for the promotion of 2,000 FPOs in the country. It was elucidated that NABARD could able to mobilize around 24,000 farmers in all the states of the N-E region except in Tripura. In Nagaland, there are fourteen numbers of FPOs which are actively supported by department of Agriculture and Horticulture, Govt. of Nagaland. Those FPOs are dynamically engaged in many vegetable cultivation and procurement of the same. Besides the promotion of FPOs, SFAC has taken initiatives to sustain the FPOs by creating need and location-specific infrastructural facilities. In the states like Karnataka, Maharashtra, Rajasthan, Telangana mini dal mill, setting up of procurement centre, branding and marketing support etc. has been set up by SFAC to support and sustain the FPOs. In many other states different infrastructural facilities like pack house, preservation unit, low energy cool chamber etc. was created for horticulture based FPOs. The FPOs in the state Manipur and Tripura got benefitted in 2017-18; two numbers of pusa zero energy cool chambers and one pack house was proposed for the FPOs of Manipur and Tripura respectively (SAFC, 2017-18, Mo.A&FW, GOI). A tentative assessment suggests that there are multifarious benefits for the member in the form of timely and easily availability of fertilizers, seeds, and other agriculture inputs at a reasonable rate; bulk selling of agriculture produce for a better price; extension services received by the farmers which the PC had arranged with the agriculture department or from other service providers; receiving of cash dividends from the FPCs (Mondal, 2010).

#### **Farmer Producer Organizations (FPOs) as Nitty-Gritty for Doubling Farmer's Income in North-East India:**

The income from agriculture is too low for the farmers across the regions of the state. In 2015-16 budgets, beyond the food security, the Central Government has taken a pledge to secure the income of the farmers and it was proposed to double the farmer's income (DFI) by 2022. Across North-East India, bio diversified agricultural development has been under prime focus for the many stakeholders including policy planners to the researchers. Sendhil *et al.*, 2018 reported that analysis of disaggregated sources of farmers' income represents that many of the North-eastern states have not experienced any doubling in income between 2003 and 2013. In the context of farmers of this region, income is not adequate to compare to the others, and change in income series is also not much significant.

Transformation to group approach from individual approach led agricultural development has given the emergence of the concept of 'farmer producer organizations'. The main aim of FPOs is to enhance the farmers' competitiveness and increase their advantage in emerging market opportunities. The year 2014 was declared as the "Year of Farmer Producer Organisations", and gradually but definitely, the concept is catching on. The major function of FPOs comprises the supply of different inputs, market linkages, training and capacity building, networking, financial, and technical advisory services. The small and marginal farmers who are highly vulnerable to the risk in farming; except production vagaries lack of access to support services; alternate markets and poor infrastructure, etc. are the reasons to make them susceptible. So the FPOs are the result of collective action by small and marginal farmers which may help them in many ways.

#### ***Information-rich Collective action through FPOs:***

Nowadays, information is the forerunner of any activity. To fetch good market good market information is required which may make collective action more proactive. The FPOs can provide a variety of information to the producers related market demand and supply, weather forecast etc. to enable them to hold their produce till the market price happen to encouraging.

#### ***FPOs; collective agri-preneurship for the farmers:***

With the changing markets, the subsistence farming systems are rapidly transformed to input- intensive commercial entrepreneurship (Mukherjee *et al.* 2018). In this context, FPOs may perform as collective agri-enterprises as it is by the farmers and for the farmers. Instead of focusing only on producer aspect, FPOs may act as an entrepreneur which will not only make them obtain good income but also to being commercial.

#### ***FPO: as a means of empowering farmers through livelihood enhancement:***

Farmers Producer Company works with the farmers for the farm and by the farmers. In the whole process, it engages the mer farmers to acquire more skills so that these skills can be used developing the productivity of self and the organization. It reported that the FPC has a positive impact on the livelihood w being of the rural women. FPCs have acted as potential means empowering farm women and the resource-poor women l enhanced their social, political, economic, and human cap (Mukherjee *et al.* 2019, Mukherjee *et al.*, 2020).

#### ***FPOs and Value Chain Management:***

Proper value chain analysis and management may lead to a profitable share by the farmers. Farmers through FPOs may

have many vertical, horizontal coordination; forward and backward linkages. There is a huge potential for FPCs to enter in post-harvest segment in India (Mukherjee *et al.* 2018). Even in value-addition processes such as processing, grading, and packing which has not only enhanced their dealing power but share in consumer's rupee (ASA 2009, Venkattakumar and Sontakki 2012, Trebin 2014, 2016).

***Assured Market Access:***

As a part of FPCs activities quality control and pricing of the raw materials are also maintained. Market access is ensured by purchasing members' produce and transports are equivalent to the inbound logistics activity of the manufacturing organizations. FPOs may get assure the market by entering processing, it is about enhancing the value of a product by changing its form and/or structure.

***Develop Market and Buyer Relations:***

Market intelligence is important for making commercial decisions as FPO, as well as to transfer market signals to the members to influence their decisions on production and to define the conditions of supplying to the FPOs. Group of small producers through producer organizations were capable of making strategic investments to gain access to agro industrial markets where their produce was more profitable by establishing more complex contractual arrangements with potential purchasers.

An ecosystem for FPOs-FPCs may define as the social and economic environment affecting the different farmer's organizations at the local/ regional or national levels. It presents a framework to understand the ability of regional contexts to encourage and support the creation of new group based organizations. A favorable ecosystem is utmost to sustain the FPOs, in this context NABARD, 2019 has

suggested a critical ecosystem to sustain the FPOs. Some of the components of a critical ecosystems include: (a) Policy Environment-Risk mitigation, licensing, agri-logistics, infrastructure arrangements, contract farming (b) Technology Support- extension service, advisory, value addition, processing & marketing (c) Consumption/ production/ post production credit support-banks/ financial institutions, NBFCs, Government institutions, developmental Agencies, corporates, etc. (d) Retail services/ markets- quality inputs, retail marketing, spot markets (eNAM, APMC), futures trading (NCDEX), linkages with agri-corporates, exporters, direct marketing.

The analyzed ecosystem prevailing for FPOs in North-east India reveals that many Govt. policies are favorable across the region, and infrastructural facilities are getting promote spatially as well as temporally. The credit or guarantee equity for the FPOs in the North-eastern states is constructive and supportive; NABARD, other banks, NABkisan etc. has extended their network to present the credit support to existing and upcoming FPOs in the N-E region. But still, there is scope to improve the services or technical end which is a vital part of the ecosystem. Even different skill training and capacity building programmes may help to strengthen the human resources. It is to say that processing or procurement facilities for the FPOs are very feeble so far which has lead to huge prospects to link the many exist or upcoming FPOs with post-harvest or processing arm. In this region FPOs/FPCs are also lacking direct marketing facilities or as a rural retail outlet. Marketing and retailing components are very weak in this region without which the ecosystem for FPOs is not effective here; strengthening these two wings of the ecosystem will make the FPOs not only effective but also efficient in N-E India.

**Table 3.** Specific Agricultural Products of North-East India

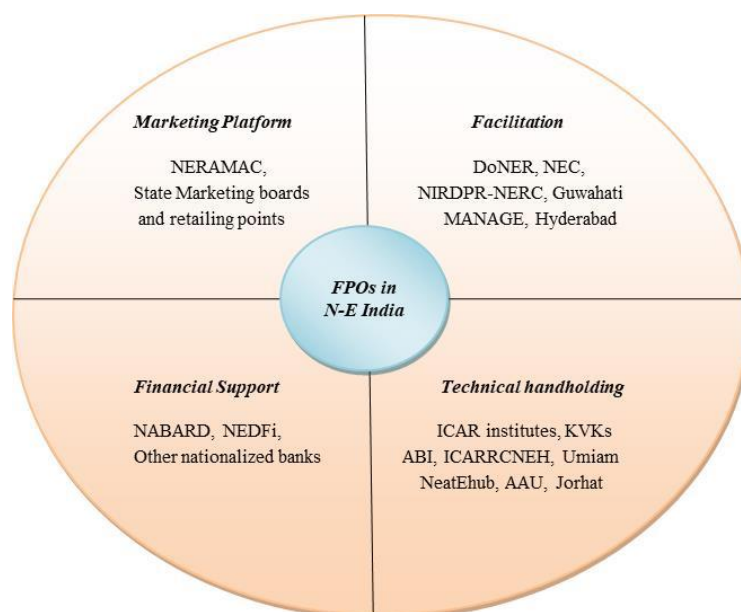
<i>Specific Agricultural Products</i>	<i>Districts</i>	<i>State</i>
Lakadong turmeric	West Jaintia hills	Meghalaya
Cashew	Garo hills region	Meghalaya
Khasi mandarin	Almost all the districts	Meghalaya
Joha Rice	Ri-bhoi	Meghalaya
Tezpur Litchi	Sonitpur	Assam
Karbi along ginger	Karbi Anglong	Assam
Large cardamom	West Sikkim	Sikkim
Arunachal orange	Lohit	Arunachal Pradesh
Kachai lemon	Ukhrul	Manipur
Black rice	Kakching and Thoubal	Manipur
Bird eye chilli	Siaha	Mizoram
Tree tomato	Kohima, wokha, Kiphire, Mon, Phek, Zunhebeto	Nagaland
Queen Pineapple	North Tripura, Unakoti Tripura	Tripura
Jackfruit	Almost all the districts	Tripura
Orchid	North Sikkim	Sikkim

**Strategies to improve the ecosystem for sustainable FPOs in North-East India:**

The North-East India which has been considered as the ‘sleeping giant’ in the agriculture & allied sector has vast potential to prosper. To reap a better and sustainable farm income North-eastern farmer may follow the collective mode approach based on the strengths of this region. The region is blessed with a diversified portfolio (as presented in table 3) which ranges from many fruits and vegetables, ginger, turmeric, garlic, other crops like passion fruit, dragon fruit, orchids etc. and more importantly organically produced crops, aromatic and medicinal plants. This region has some explicit products such as large cardamom, naga chilli, tea, pineapple, ginger, birds eye chilli, Joha rice which has given the region bundle of opportunities to thrive. In respect to an ideal ecosystem for FPOs/FPCs this region lacks many aspects that have already been discussed.

To promote and sustain the specific agricultural products based FPOs in each district of North-eastern states, different organizations associated with research and development of the region have to come forward in a convergent way. The development and sustainability of a FPO depend on many aspects starting from its inception to the blooming stage. Some wings of the development are critical as part of the growth for the FPOs such as; *facilitation, technical handholding, financial support, and marketing platform* (Fig.1). In North-East India there is a separate ministry the Ministry of Development of North Eastern Region (DoNER) under Government of India which acts as the nodal department to deal with the matters related to the socio-economic

development of the people. The region is also blessed with North-Eastern Council (NEC) which has the same mandate to work for the people of North-East India. This body allocates a certain percentage of funding for the agricultural reason. DoNER and NEC may play a certain role to develop and promote FPOs by providing overall support for the small and marginal holders. They may create a distinct platform for the small and marginal farmers and which also may facilitate in organization of the farmers in collective mode. We have other national institutes like National Institute for Rural Development and Panchayati Raj (NIRD&PR), Hyderabad and National Institute for Agricultural Extension Management (MANAGE), Hyderabad which have immense role to play in this. Though NIRD&PR have set up many FPOs in the other parts of the country but the N-E region is lagging behind from the same. Even NIRD&PR has separate wing for N-E India NIRDPR-NERC at Guwahati. Other than the dissemination of technology and trained the manpower of this region, the institute may has a separate cell for the farmers which can solely focus on the work for the farmers in group approach. As the *technical handholding* arm of the FPOs the region has total eight ICAR institutes scattered over the region with many regional centres. ICAR Research Complex for NEH Region, Umiam has a separate wing Agri-Business Incubator (ABI) which works for the entrepreneurship development in the region. Other than this Assam Agriculture University, Jorhat has created an incubation centre named as NeatEhub which is like pillar for the development of the whole ecosystem.



**Fig 1. Wings for the FPOs development in North-East India.**

Krishi Vigyan Kendra (KVKs) nowadays which has become focal point as knowledge centre in the districts level, in total there are 90 KVKs under ATARI Zone VI Guwahati and ATARI Zone VII Barapani. The KVKs has very good level of dispersion network at the grassroots level which may energizes the way for organizing the farmers in collective form. Each state has their separate line departments such as department of agriculture, department of horticulture, department of animal husbandry etc. which work under the regime of respective state governments have enough scope to work specially in technically make up of the skeleton of the FPOs in the respective states. The *financial support* for small and marginal land holders is an important issue, as they lack of enough capital to invest. The small and marginal holders may get help primarily from the National Bank of Agriculture and Rural Development (NABARD), having branches in each of the state of North-Eastern region. NABARD has provision of fund to promote and development of farmer producer organizations; through total four funds such as producers organization development fund (PODF), Producers organization development and upliftment corpus (PRODUCE) fund, central sector scheme for promotion and nurturing of FPOs and credit guarantee scheme for FPOs are working with the motto of promotion of new FPOs, credit facilitation, capacity building and market linkage. In the FPOs promotion and development NABARD has commendable accomplishment in the states like Assam and Mizoram. In this direction the branches of NABARD in the other North-Eastern states may come forward to work for the small and marginal holders as the financial support is a decisive constituent to make successful inception of the group.

North Eastern Development Finance Corporation Ltd. (NEDFi) is public limited company registered under company act, 1956 provides financial assistance to micro, small, medium and large enterprises for setting up industrial, infrastructure and agri-allied sector of the region. The region is also sanctified with number of branches of many nationalized banks scattered over the whole province which all have an immense role to play in strengthening the financial pillar for the promotion and development of the FPOs. Marketing for the member of FPOs is an important and ultimate issue; in absence of proper marketing management the whole cycle become fragile in many cases. So providing the marketing platform and linkages to the farmers under FPOs is very crucial. North Eastern Regional Agricultural Marketing Corporation (NERAMAC) limited is a premium promoter of products of north-east India, has been playing the role of vibrant marketing organization essentially to support the farmers of North-East. So different specific product based FPOs may deliver their marketable surplus to the NERAMAC for the right price and right marketing. Beside

this each state has their marketing board, govern by the respective state governments which also work with objective of providing farmers their remunerative prices for their products.

In contemporary era, group approach has become a trend and means to harvest the success in farming cycle especially in the marketing platform. Farmer producer organizations (FPOs) are very effective and proven platform where the number of farmers may come forward in collectivize their marketable surplus for right price at right place and time. The study was dedicated to investigate the current status of FPOs/FPCs as an approach for small-marginal holder's participation in emerging market scenario for doubling their farm income. The FPOs network in the North-eastern region revealed that good number of FPOs is there in the states like Assam, Sikkim and Manipur. Though the number of FPOs is remarkable but number of farmers registered under is very less in the other states like Mizoram, Nagaland and Meghalaya. The Arunachal Pradesh and Tripura are running sluggish in this race; there is only total three and four number of FPOs in these states respectively. The NABARD is also commendable in organizing the farmers under the umbrella of FPOs as in many states it become success. In North-east India also it has set up many FPOs except in Tripura. Except SFAC and NABARD, Department of Agriculture and Horticulture, Govt. of Nagaland has established fourteen numbers of FPOs, but such initiative was mislaid in other states of the region.

The concept of producer companies is still in its early life in the agricultural sector especially in North-East region of the country. The Producer companies aim to integrate smallholders into modern supply networks minimizing transaction and coordination costs, while benefiting from economies of scale (Lanting, 2005). Kakti and Roy, 2018 stated that there was big gap amongst the north-eastern states and other region in terms of FPCs incorporated. Though over the time this region is showing a positive trend but still there is enormous scope for development and growth of horticultural crops and organic farming based many FPOs chiefly FPCs. Sikkim is the only state which has shown tremendous positive growth in the FPCs formation. India's first organic state Sikkim has engaged 16,279 farmers in FPOs up to February, 2020. As a result of central government and many schemes of state governments this state could achieve this milestone within the span of short period of time. But rising of equity capital and absence of tangible security and physical assets were the two noteworthy difficulties that a FPC faces in their initial period (Prabhakar *et al.* 2012). Many have conducted, basically an evaluative study and assess the business performance of FPCs in the state of Madhya Pradesh (Chauhan, 2015, Dwivedi and Joshi, 2007). While understanding the scope of entrepreneurship through FPCs Kakati and Roy, 2018 from

Assam revealed that the net profit ratio of the companies below par and overall the PCs showed an unsatisfactory performance. But the N-E region of the country lacks enough research or database regarding the performance, scope and sustainability of the FPCs which may answer the questions of the epoch.

## 2. Conclusion:

In reality, smallholder farming is equally complex and dynamic; farmers are highly vulnerable, constantly required to respond to new challenges. In North-east India, small holders individually are not only unable to create scale economies, even it's very challenging to ensure they are truly productive. Transformation in agricultural sector led to shift in many approaches, many strategies and since then group approaches has immensely gained importance over the time. In order to make the many farmer groups as an effective way of life for the small-marginal holders, farmer producer companies (FPCs) are superlative and obvious answer. An ideal producer company may benefit its' farmer members by providing timely input services, advisory services, exposure to innovative and modern production-processing technologies. But unfortunately, the growth and development of the FPOs/FPCs in North-east India are not up to the level of its' potentiality, but gradually this number is increasing spatially across the region. Some recommendations to enhance the performance and make the FPOs/FPCs more effective such as the region may promote specific and special crop or product based FPOs/FPCs from the different districts of this region. Further, convergence and facilitation mode is needed to be instigating for promotion and growth of the FPOs/FPCs, NABARD as a premier agricultural bank require coming forward to promote more FPOs/FPCs in the states like Tripura, Arunachal Pradesh etc. Even the farmers registered under FPOs/FPCs need a quick paradigm shift, from being information hungry to information rich, technology shy to technology receptive. Predominant small and marginal holders of North-East India has terrific scope to work in shared approach and making this become a model for their livelihood improvement and making income double.

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