

Building Resilient Farmer Producer Organizations

Driving inclusive and sustainable rural transformation through collective strength

Amit Kumar Burman and Biswajit Bahera

From Scheme-Driven to Self-Sustaining: Advancing FPOs in Odisha

Farmer Producer Organizations (FPOs) are increasingly recognized as engines of inclusive agricultural growth. By enabling small and marginal farmers to aggregate produce, access inputs, and improve bargaining power, FPOs hold the promise of transforming rural economies. Yet, many continue to struggle with weak governance structures, limited managerial capacity, and challenges in accessing markets and finance. To unlock their true potential, FPOs need systematic capacity-building.

Recognizing this, the Department of Agriculture and Farmers' Empowerment (DA&FE), Government of Odisha, in collaboration with IFPRI, organized state-level trainings to strengthen FPOs across the state. Over three days, 130 representatives, including board members, chief executive officers (CEOs), and staff from 38 FPOs covering all districts, participated in three batches. The training was designed not only to impart technical knowledge but also to create a platform for peer learning, reflection, and problem-solving. The overarching goal was clear: move FPOs from scheme-driven entities to self-sustaining, market-ready businesses.

A Glimpse into Training

The training was structured around 12 thematic sessions, guiding participants through the life cycle of FPOs—from formation to market integration. Key input areas included:

1. **Ecosystem & Models** – Prospects and risks of rapid FPO formation; comparative analysis of voluntary versus institutionally promoted models.
2. **Membership & Leadership** – Mechanisms of member selection, diversity in size and composition, leadership roles of boards, CEOs, and promoting institutions.

3. **Governance & Financial Sustainability** – Creditworthiness, compliance, and financial management as foundations of long-term viability.
 4. **Growth Trajectory** – Life cycle of FPOs from incubation to scale-up; success factors that distinguish thriving FPOs.
 5. **Markets & Value Chains** – Marketing readiness, leveraging schemes, building linkages, reducing post-harvest losses, and value addition opportunities.
 6. **Strategic Challenges & Outcomes** – Economies of scale, branding, certification, price volatility, and measuring impact through indicators such as turnover, farmer income, and financial performance.
-

Training Inputs: From Concepts to Practice

The sessions moved beyond theory to practical tools and exercises that participants could apply directly in their FPOs:

- **Governance and Leadership:** Participants realized governance is not only about compliance, but also about building trust, accountability, and external partnerships. Insights included better governance and management practices among smaller and women-led FPOs, and the importance of transparent leadership structures.
 - **Member Selection, Size, and Composition:** Officers explored how the size of an FPO influences efficiency and sustainability. Smaller FPOs often ensure stronger member participation and better governance, while larger FPOs bring greater economies of scale but demand stronger systems of accountability. They also learned how homogenous membership (e.g., crop-based) can simplify decision-making, whereas diversity in skills and resources offers resilience and innovation, if managed well.
 - **Business Planning and Value Creation:** Trainers emphasized that a business plan is a living roadmap. Participants practiced using templates to project revenues, assess risks, and align with value chains. A central lesson was that FPO business models must focus on both value creation and fair value distribution—ensuring that collective gains translate into tangible income improvements for farmer-members.
 - **Credit and Compliance:** By engaging with financial templates, participants recognized how proper record-keeping and compliance build credibility with banks and with NABARD, enhancing FPOs' ability to access capital.
 - **Marketing and Value Chains:** Practical exercises focused on negotiating with buyers, organizing collective marketing, and addressing post-harvest losses. Officers saw how branding, certification, and product differentiation can increase farmers' incomes and market presence.
 - **Success Factors and Indicators:** The program stressed outcome-based measurements, highlighting turnover, membership retention, value distribution, and income enhancement as key markers of FPO success.
-

Learning Outcomes: What Participants Took Back

Ecosystem & Models

The Phase-II training deepened participants' understanding of the life cycle of FPOs and the varied contexts in which farmer collectives operate. Officers recognized that FPOs exist on a spectrum—from small, emerging groups facing foundational challenges to larger, multi-enterprise collectives with diverse membership. They understood that strategies must be tailored to the stage of maturity and the FPO model, balancing rapid formation with the risks of weak foundations and unsustainable growth.

Membership & Leadership

Participants gained clarity on membership and leadership dynamics, understanding that both the size and composition of FPOs influence their performance. Smaller FPOs often benefit from closer member engagement, which can strengthen governance and decision-making, while larger FPOs require more structured leadership and coordination to align diverse skills, resources, and expectations. Women-led FPOs were highlighted as examples of participatory leadership, transparency, and accountability. Officers reflected that thoughtful selection of boards and CEOs is central to fostering trust and ensuring active participation across all sizes of FPOs.

Governance & Financial Sustainability

Governance was redefined as a strategic tool rather than a procedural requirement. Officers realized that strong governance builds credibility, encourages participation, and attracts partnerships, while statutory compliance remains essential. Hands-on exercises with financial templates allowed participants to treat balance sheets and profit-and-loss statements as dynamic management tools, enhancing their ability to guide FPOs on financial discipline and creditworthiness.

Growth Trajectory

The training clarified growth trajectories, emphasizing that success depends on governance, leadership, and tailored support at different stages—incubation, growth, and scale-up. Officers noted that homogeneous groups, such as crop-specific FPOs, often implement strategies more consistently, whereas heterogeneous groups require stronger coordination to balance multiple interests.

Markets & Value Chains

Participants developed practical skills in market facilitation, including negotiating with buyers, organizing collective marketing, and linking marketing strategies to member composition. The training highlighted the importance of fair value distribution to ensure farmers directly benefit from improved market access. Opportunities for processing, branding, and value addition were explored to enhance profitability and reduce post-harvest losses.

Strategic Challenges & Outcomes

Finally, participants strengthened their awareness of convergence opportunities and broader strategic challenges. They explored leveraging government schemes and digital tools to accelerate growth, particularly for smaller and/or women-led FPOs. Peer learning fostered collaboration and context-specific problem-solving efforts. Overall, officers emerged with practical skills, strategic insights, and a strengthened ability to support FPOs toward sustainable growth, improved financial performance, and greater farmer welfare.

Voices from the Field

During open session, participants shared candid reflections:

- *“I always thought governance was too technical, but now I see it’s about building trust.”*
- *“Understanding how the size and composition of an FPO affects decision-making and operations was eye-opening.”*
- *“I now appreciate that statutory compliance is not just paperwork but a foundation for credibility and sustainability.”*

Such reflections illustrate that the training touched both the technical and personal dimensions of learning, while also emphasizing practical considerations such as FPO size, membership composition, and compliance requirements.

ABOUT THE AUTHORS

Amit Kumar Burman is a Project Coordinator with International Food Policy Research Institute (IFPRI). Biswajit Bahera is an Associate Director with Palladium Consulting India Pvt Ltd

ACKNOWLEDGMENTS

This work was made possible through the generous support and collaboration of the following partners:

- CGIAR Science Program on Policy Innovations
- The Gates Foundation
- The Department of Agriculture & Farmers’ Empowerment (DA&FE)
- Palladium Consulting India Pvt Ltd.
- Watershed Support Services and Activities Network (WASSAN)
- Access Development Services

Funding for this work was provided by the Gates Foundation (GF). This publication has been prepared as an output of the Food & Agricultural System Transformation Research (FASTR) project for Odisha and has not been independently peer reviewed. Any opinions expressed here belong to the author(s) and are not necessarily representative of or endorsed by IFPRI.

INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE

A world free of hunger and malnutrition

IFPRI is a CGIAR Research Center

1201 Eye Street, NW, Washington, DC 20005 USA | T. +1-202-862-5600 | F. +1-202-862-5606 | Email: ifpri@cgiar.org | www.ifpri.org | www.ifpri.info

© 2026 International Food Policy Research Institute (IFPRI). This publication is licensed for use under a Creative Commons Attribution 4.0 International License (CC BY 4.0). To view this license, visit <https://creativecommons.org/licenses/by/4.0>.