

**RESEARCH NOTE :**

Marketing opportunities of farm machinery- small and marginal farmers

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SUMMARY : Farm mechanisation is an important factor to increase agricultural productivity. Increased production results from introduction of new techniques that put into practise on farm. About 85% of farm holdings in India belong to small and marginal farmers (cultivating less than 2 hectares). Small and marginal farmers are resource poor, have limited access to technology, inputs, credit, capital and marketing. Through timeliness of operations, increase in land productivity, saving in labour requirement and reduction in human drudgery, farm mechanisation leads to increase in output and productivity, safety and ease in farming with improved returns and profitability. While farm machinery is not affordable for an individual farmer, if the crop is not sown or harvested in a given time frame, the risk of crop failure increases. Efficient machinery that cater to the needs of small and marginal farmers are need of the hour. Purchasing power of small and marginal farmers can be improved through farmer groups and Farmer Producer Organisations (FPOs). This aggregation approach also helps small and marginal farmers in accessing various benefits of government schemes for rural development. Custom Hire Centres (CHCs) provide necessary farm machinery at reasonable rates.

KEY WORDS:

Farm mechanisation,
Farmer producer
organisations,
Custom hire centres

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Farm mechanisation is a growing imperative for sustaining agricultural growth. There exists a strong and positive correlation between farm power availability and agricultural productivity. Indian agriculture is predominantly characterised by large number of dispersed and fragmented land holdings. About 85% of farm holdings in India belong to small and marginal farmers (cultivating less than 2 hectares). Small and marginal farmers are resource poor, have limited access to technology, inputs, credit, capital and marketing. Through timeliness of operations,

increase in land productivity, saving in labour requirement and reduction in human drudgery, farm mechanisation leads to increase in output and productivity, safety and ease in farming with improved returns and profitability. While farm machinery is not affordable for an individual farmer, if the crop is not sown or harvested in a given time frame, the risk of crop failure increases. Efficient machinery that caters to the needs of small and marginal farmers is need of the hour. Purchasing power of small and marginal farmers can be improved through farmer groups and Farmer

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Producer Organisations (FPOs). This aggregation approach also helps small and marginal farmers in accessing various benefits of government schemes for rural development. Custom Hire Centres (CHCs) provide necessary farm machinery at reasonable rates.

Farmer producer organizations:

The aggregation of producers, specifically marginal and small farm holders into producers' organizations is emerging as the effective possible pathway for improved access to investments, technologies, knowledge support, inputs and markets. Farmer Producer Organizations are the appropriate institutional form around which farmers would be mobilized and their collective capacity of production and marketing can be leveraged by strengthening their capacities. The formation and development of FPOs will be actively encouraged and supported by the state governments and their agencies, using financial resources from various centrally-sponsored and state-funded schemes along with resources mobilized from the financial institutions.

These organizations are created at the cluster, block, district or state level depending upon the needs of the producers considering the demand potential to adopt value chain approach to enhance farmers'/producers' economic and social benefits. Increasing benefits to the members (enhancing income through technology and knowledge infusion, higher productivity and business services like input distribution, output marketing, value addition, accounts management and administration/others) is the fundamental requirement/purpose for establishing FPOs.

FPOs will focus on (a) enhancing productivity through improved extension services; (b) use of appropriate technology in a co-ordinated manner; (c) Improved efficiency in pre and post-harvest production systems by creating infrastructure facilities; (d) reduce cost of production through farm mechanisation; (e) creating marketing opportunities that generate higher incomes.

Primary Agricultural Co-operative Societies (PACS), being a registered co-operative society as FPOs, issue loans for agricultural purposes like purchase of farm machineries. They are generally provide agriculture implements on hiring basis. PACS play an important role in purchase of hi-tech agri-implements like power tiller, land leveller, rotary slasher, movers, seed driller, multi

crop planter, paddy transplanter, sprayers, combine harvester etc. depending upon the requirements of members. In order to enable PACS to provide more services to its members and generate income, an initiative was taken to develop PACS as multi service centres like Agro- service and agro- processing centres.

Custom hire centres:

Custom hiring centres envisages promoting establishment of farm machinery banks for hiring by way of providing financial assistance to self-help groups or farmer's co-operatives since the prohibitive cost of hi-tech and high productive equipments renders it difficult for individual ownership. The Custom Hiring Centres offer farm equipments and machineries on rental basis to farmers who cannot afford to purchase high-end agricultural machineries and equipments. The CHCs play a pivotal role in introducing high technology agricultural machinery to even small farmers with the objective to boost crop production, improve quality, timeliness and efficiency of agriculture operations.

CHCs will be established in villages having low farm power availability and large area under small and marginal holdings. Each CHC will have the capacity to cover minimum area of 10 ha/day and at least 300ha in a cropping season. Machines can be hired for entire operations from land development to residue management. Each CHC will be set up on specific crop based, cost based and cluster based approach. Each CHC will have small crop specific machinery suitable for local requirement for mechanized farming under small and marginal holdings.

Conclusion:

Custom Hiring centres and FPOs hold the potential to be the best ways to introduce capital intensive, high quality and efficient farm mechanization to the small farming structures prevalent in India. They enable new machines to be used at their maximum capacity and enables farmers to gain access to latest technology they would otherwise not be able to afford and significantly facilitate diversification in agriculture.

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