

Strength in Togetherness: Group Dynamics and the Growth of Farmer Producer Organisations in Odisha

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ABSTRACT

Farmer Producer Organisations (FPOs) have become one of the most significant institutional innovations in Indian agriculture, especially for empowering small and marginal farmers through collective action. While policy support, market linkages, and financial assistance are essential for FPO sustainability, the internal strength of these organisations largely depends on group dynamics. Group dynamics refers to the interactions, relationships, participation, leadership patterns, norms, and collective behaviour of members within a group. In states like Odisha, where agriculture is dominated by smallholders, rainfed farming, and socially diverse communities, effective group dynamics plays a decisive role in determining the success of FPOs. This article discusses the concept of group dynamics in FPOs, its key components, relevance to FPO performance, challenges commonly observed in Indian and Odishan contexts, and practical strategies to strengthen group functioning for long-term sustainability. The article is written in a popular and extension-oriented manner for farmers, students, practitioners, and development professionals.

INTRODUCTION

Indian agriculture is characterised by fragmented landholdings, climatic uncertainties, and market vulnerabilities.

A large proportion of farmers operate on small and marginal holdings, making it difficult for them to access quality inputs, modern

technologies, credit, and remunerative markets individually. Recognising these constraints, Farmer Producer Organisations (FPOs) have been promoted as farmer-owned collectives that enable aggregation of produce, reduction of transaction costs, and strengthening of farmers' bargaining power (SFAC, 2013; Trebbin and Hassler, 2012).

In Odisha, agriculture supports a majority of rural households and is predominantly rainfed, with crops such as paddy, pulses, oilseeds, vegetables, and millets forming the backbone of livelihoods. The state has actively promoted FPOs through initiatives supported by NABARD, SFAC, Odisha Livelihoods Mission (OLM), and various NGOs. However, field experiences show that while several FPOs have been registered, only a proportion function effectively and sustainably. One of the key reasons behind this variation is the strength or weakness of *group dynamics* among FPO members (NABARD, 2022).

Group Dynamics in FPOs

Group dynamics refers to the patterns of interaction and relationships among individuals working together in a group and the influence of these patterns on group performance (Cartwright and Zander, 1968; Forsyth, 2010). In FPOs, group dynamics shapes how farmers communicate, cooperate, resolve conflicts, take decisions, and share responsibilities.

Researchers have identified dimensions such as group atmosphere, teamwork, cohesiveness, participation, and decision-making as crucial indicators of group dynamics effectiveness in FPOs (Singha *et al.*, 2024). A positive group atmosphere encourages openness and mutual respect, while strong teamwork and cohesion motivate members to work collectively even during challenging situations such as price fluctuations or climatic stress.

In Odisha, where many FPOs have emerged from Self-Help Groups (SHGs), Primary Agricultural Cooperative Societies (PACS), or informal farmer groups, pre-existing social relationships influence group dynamics significantly. While these relationships can strengthen trust, they can also give rise to dominance by certain individuals or groups if not managed carefully.

Importance of Group Dynamics for FPO Performance

Enhancing Participation and Ownership

Active participation of members is fundamental to the democratic functioning of FPOs. When farmers feel that their voices are heard and their opinions matter, they are more likely to attend meetings, contribute ideas, and support collective decisions. Studies on FPOs reveal that participation levels are often at a medium level, indicating scope for improving member engagement through better facilitation and communication (Singha *et al.*, 2024; Gorai *et al.*, 2023).

In Odisha, low literacy levels in some rural pockets and limited awareness about FPO functioning can restrict meaningful participation. Strengthening group dynamics through regular interactions and capacity building can help overcome these barriers.

Building Trust and Social Capital

Trust is the backbone of any collective institution. Strong group dynamics builds social capital by fostering trust, reciprocity, and mutual support among members. This trust enables farmers to pool resources, undertake collective marketing, and share risks. Research has shown that group cohesiveness and teamwork are positively associated with effective functioning of FPOs (Singha *et al.*, 2024; Ajith, 2022; FAO, 2016).

In tribal-dominated districts of Odisha such as Kandhamal, Koraput, and Mayurbhanj, trust-based group dynamics has played a crucial role in the success of millet-based and forest produce-based FPOs.

Strengthening Leadership and Governance

Leadership behaviour strongly influences group dynamics. Transparent, participatory, and accountable leadership promotes trust and cooperation, while authoritarian leadership can weaken group cohesion. Patil and Mehta (2024) highlighted that successful FPO leaders combine entrepreneurial abilities with strong interpersonal and communication skills, which are critical for sustaining member trust and organisational legitimacy (Padaria and Sarkar, 2014).

In Odisha, leadership challenges are often observed in newly formed FPOs where leaders lack exposure to business management and group facilitation. Strengthening leadership capacity is therefore essential for improving overall group dynamics.

Key Elements of Group Dynamics in FPOs

- 1. Group Cohesion:** Group cohesion refers to the degree of unity and sense of belonging among members. High cohesion encourages members to remain associated with the FPO even during initial years when profits may be limited.
- 2. Communication:** Effective communication ensures transparency in decision-making and financial matters. Poor communication often leads to rumours, mistrust, and disengagement.
- 3. Teamwork and Cooperation:** Teamwork reflects the willingness of members to work together for common goals. Studies indicate that many FPOs exhibit moderate levels of teamwork, suggesting the need for

continuous efforts to strengthen collaboration (Singha *et al.*, 2024).

- 4. Role Clarity:** Clear understanding of roles and responsibilities among board members, office bearers, and general members enhances efficiency and accountability.

Challenges Affecting Group Dynamics of FPOs in Odisha:

Despite policy support, several challenges affect group dynamics in FPOs:

- Irregular participation of members in meetings and activities
- Dominance of a few influential individuals in decision-making
- Limited managerial and leadership skills among office bearers
- Weak communication systems, especially in remote rural areas
- Diverse socio-economic backgrounds leading to conflicts

Structural issues such as inadequate professional support and weak market linkages further aggravate internal group challenges (Singha *et al.*, 2024).

Strategies to Strengthen Group Dynamics

- **Capacity Building and Training:** Regular training on leadership, communication, conflict management, and financial literacy can empower members and leaders.
- **Participatory Decision-Making:** Encouraging open discussions and collective decisions enhances transparency and trust.
- **Inclusive Leadership Development:** Involving women and youth in leadership roles can bring innovation and improve group cohesion.

➤ **Continuous Handholding Support:**

Extension agencies, NGOs, and development departments play a crucial role in facilitating group processes, especially during the formative stages of FPOs.

Role of Extension and Development Agencies in Odisha

Agricultural extension functionaries, KVKS, NGOs, and institutions like OLM and NABARD play a vital role in nurturing positive group dynamics. Their support in mobilisation, training, conflict resolution, and market linkage development is critical for sustaining FPOs in Odisha.

CONCLUSION

Group dynamics is the invisible yet powerful force that shapes the success of Farmer Producer Organisations. In a state like Odisha, where agriculture is deeply linked with smallholder livelihoods and social diversity, strengthening group dynamics is essential for sustainable collective action. While many FPOs show moderate levels of group effectiveness, targeted efforts in capacity building, participatory governance, and leadership development can significantly enhance their performance. Ultimately, strong group dynamics transforms FPOs from mere registered entities into vibrant farmer-led institutions contributing to inclusive and resilient rural development, particularly in smallholder-dominated states like Odisha (World Bank, 2017; Government of Odisha, 2021).

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