An Inquiry into the Role of Group Dynamics in Enhancing Farm Remuneration

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Abstract: Low productivity of crops added to less remunerative market prices of agricultural commodities are the major causes of worry in the times of widening farm crisis. Agricultural enterprise is found to be not very profitable although a large majority is still dependent on it in countries like India. With the globalization of agriculture, major emphasis is being laid on increasing the productivity of crops in general. But in the changing situation, farmers need to transform themselves from mere producers in the domestic market to producer cum sellers in a wider market sense to realize good returns on their investments, risks and efforts. In order to achieve this goal, farmers need to be aware of things that go beyond mere market information. They need answers to questions like what to produce, when to produce, how much to produce, when and where to sell, at what price and in what form to sell their produce. This is market intelligence in short which could get better accomplished by the approach of group dynamics.

Keywords: Group dynamics, agricultural marketing, mutual linkages, India

I. Introduction

Several emerging challenges that confront today’s farmers include limited land and water availability, degradation of natural resources; climate variability; unable to meet up with the changes in demand and consumption patterns; increasing urbanization; and liberalization of trade (Lele et al. 2010). Recent global food price increases and high levels of inflation have provided an opportunity to increase farmers’ profitability. However, to realize the benefit of higher prices, farmers need to access a wider range of information, related not only to production technologies but also to postharvest processes, access to remunerative markets, price information, and business development (Sulaiman, 2003). A stage has been reached where market information alone is not enough for farmers to realize better remunerations.

For markets to deliver better

Considering the large number of marginal and smallholder farmers in India particularly in rainfed regions, a major need is to build the capacity of farmers to demand and access information that could improve their productivity, profitability, and incomes. The information needs to be reliable and timely. For instance, technologies need to be suited to the farmers’ capacity to take risk, which tend to be low in rainfed regions, and integrated with available and timely services that support the relevant technology. To achieve this, incentives need to be created for knowledge intermediaries to act for farming communities. This is the basis of market intelligence.

It could be understood that the small scale farmers are also constrained with regard to access and operation in the markets. Markets no longer have fixed nominal prices. Instead, new commercial relationships must be struck with a myriad of suppliers and buyers, and prices, whether for selling produce or purchasing inputs, get largely negotiated. For most of the small scale farmers especially those trying to produce market staples in the remote areas, this set-up has created major problems. Therefore the issue of market access should be considered by giving equal weightage to these three dimensions viz. physical access to markets; structure of the markets; and producers’ lack of skills, information and organizational background.

A. Need for dynamics in agriculture

Gone were the days when farmers required only a limited range of information to support their farm enterprises. Nowadays, information is needed not only on best practices and technologies for crop production and protection, which the traditional public-sector system provided during the Green Revolution era, but also information about postharvest aspects including processing, marketing, storage, and handling.

It could be better said that to increase their marketing efficiencies, farmers would in turn require information related to the following.

- Most appropriate technological options
- Management of technologies, including optimal use of inputs
- Changing farm system options
- Sourcing reputable input suppliers
• Collective action with other like-minded farmers
• Consumer and market demands for products
• Quality specifications for produce
• Time to buy inputs and sell produce
• Off-farm income-generation options
• Implications of changing policies (input subsidies, trade liberalization)
• Access to credit and loans
• Sustainable natural resource management and coping with climate change

B. Group dynamics: Definition and salient features

It may not be possible to make farmers market efficient when they operate on their own individual terms. But rather a participatory collective action group would highly lead to intended results. Generally a group is defined as a complex set of interacting elements. But the notion of group underlies the concept of totality, according to which “the whole is greater than the sum of parts” (Bérard, 2010). Thus a group is said to be complex due to the multiplicity of its elements (natural, technical, economic and social) and of their interactions, but also because of the diversity of behaviours and properties it can exhibit (dynamic, emergent).

A complex group is dynamic only when it is characterized by:
• strong interactions between various actors of the group,
• a strong dependency on time, and
• an internal complex causal structure subjected to feedbacks

In such groups, actions often result in effects that differ from expected results and desired outcomes, even though decision-makers try to implement “rational” decisions according to set objectives (Sterman, 2000). Indeed, because of groups’ characteristics, decision-making processes get carried out with difficult contexts as they are affected by both complex structures of groups and cognitive limits of decision-makers.

In general, farmers’ groups should be identified with,
• Common objectives
• Tasks
• Group identities and
• Neighbourhood
• Mutual Trust

Only such groups would effectively serve as a podium for problem solving, increased social interaction, collective bargaining, quality input sourcing, advanced production technology, production planning, and improved farmers’ access to markets.

II. Group objectives, characteristics and benefits

Farmers in India remain poor as they are not able to obtain better prices; in spite of the risks they undergo to reap harvests. Strong emphasis on group dynamics approach could lead to the formation of commodity groups, farmers’ interest groups and farmers’ federations. Strong and willing participation of the farmers in such collective modes needs to be encouraged as they indeed guarantee not only better incomes but also outcomes.

![Fig. 1 Group marketing and their linkages](image-url)
The basis of group dynamics is a farmer interest group. It is a self-managed, independent group of farmers with a shared goal and interest. The members work together to achieve this goal by pooling their existing resources, gaining better access to other resources and to share resulting benefits. Thus group dynamics in agriculture would involve formation of farmers' groups for both production and marketing. In fact it leads to fine-tuning the principle of orienting production for marketing (fig.1). Such group dynamics approach in farming would enable farmers to:

- To develop high quality farms which in turn will act as hubs for developing commercial thinking by adopting high-tech techniques
- To represent on behalf of the growers of the regions to the respective governments and other concerned authorities, and to nominate members to serve on any committee representing farmer groups in any government agency or otherwise.
- To ensure association of progressive growers for the improvement in the crop and marketing of the produce.
- To create technology awareness about the introduction of new technologies/concepts in the area of inputs, pre and post harvest and marketing by organizing seminars, workshops, exhibitions at the local, district, regional, state, national, and international levels.
- To introduce post harvest technologies and strengthen the post harvest infrastructure right from the farm level to the market and if necessary create such infrastructure and markets to serve farmer community and its members in particular.
- To pool the produce of several farmers in an area and to improve linkage between producers and marketers and consumers in the process of marketing.
- To increase producers share in consumer price. To help establish communication network for the speedy collection and dissemination of market information/data for its efficient and timely use.
- To weed out asymmetries in market information like arrival, prices, import, and export.
- To network for resource mobilization with all other related agencies/organizations along with financial institutions, crop insurance agencies and private agencies.
- To take all steps by lawful means which may be necessary for promotion, supporting, or opposing legislation or other action affecting economic interests and in general to take the initiative to assist and to promote crop cultivation and trade.

### III. Need for agro-innovationists

It is pertinent to note that while forming groups, actions often result in effects that differ from expected results and desired outcomes, even though decision-makers try to implement "rational" decisions according to set objectives (Sterman, 2000). There is a need of mediators to bridge this gap. The organization or person who will play the role of building capacity and enabling farmers to operate in the innovation group is known as the innovation broker or innovation intermediary. An innovation intermediary may be “an organization or body that acts as an agent or broker in any aspect of the innovation process between two or more parties. Such intermediary activities include: helping to provide information about potential collaborators; brokering a transaction between two or more parties; acting as a mediator, or go-between, [for] bodies or organizations that are already collaborating; and helping find advice, funding and support for the innovation outcomes of such collaborations” (Haest, 2003). An innovation broker therefore coordinates and facilitates partnerships and linkages between the stakeholders through bridging, bonding, and linking social capital.

### IV. Conclusion

Better facilitation in group dynamics to farmers would enable them to catch hold of rapid transformations occurring in the market. Farmers would also be sensitized with the trend that is building up regarding expectations of the market. It should be noted that consumers are becoming more demanding in terms of quality and safety besides demographic and income trends are leading to increased demand for convenience foods, together with assurances of product safety. Thus group dynamics in Indian farming would ensure,

- Traditional marketing channels with ad hoc sales getting replaced by coordinated links between farmers, processors, retailers and others.
- Increased concentration in processing, trading, marketing and retailing in all segments of production-distribution chains.
- The traditional way in which food is produced, without farmers having a clear idea in advance of when, to whom and at what price they are going to sell their crops, to get replaced by practices more akin to manufacturing processes, with far greater coordination between farmers, processors, retailers and others in the supply chain.
- Farmers increasingly produce to meet the requirements of buyers rather than relying on markets to absorb what they produce.

### References

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