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Group Behaviour and Dynamics of Farmer Producer Companies in Middle Gujarat, India

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ABSTRACT

Farmer Producer Companies (FPCs) play crucial role in strengthening collective action among farmers, improving market access and enhancing farm income. The success of these organizations largely depends on the effectiveness of group functioning among their members. The present study examined the group behaviour and dynamics of Farmer Producer Companies in Middle Gujarat. The specific objectives were to study the socio-economic profile of FPC members, assess their group dynamics effectiveness. The study was conducted using an ex-post facto research design. Twenty FPCs functioning for more than three years were selected, and ten respondents from each FPC (three board members and seven general members) were randomly chosen, making a total sample of 200 respondents. Data were collected through a pre-tested interview schedule and analysed using the Group Dynamics Effectiveness Index. The findings revealed that the majority of respondents had medium levels of participation, teamwork, group cohesiveness, leadership, and decision-making ability. Overall, most members exhibited a medium level of group dynamics effectiveness. Correlation analysis indicated that variables such as age, education, income, landholding, market facilities, social participation, economic motivation, market orientation, innovativeness and attitude towards FPCs had a positive and significant relationship with group dynamics effectiveness. The study highlights the need to strengthen behavioural and organizational aspects to improve the functioning and sustainability of Farmer Producer Companies.

Keywords

Farmer Producer Companies (FPCs), Group Dynamics Effectiveness, Collective Action, Farmer Participation, Organizational Behaviour

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Introduction

Farmer Producer Companies (FPCs) are legal entities formed by primary producers such as farmers, milk producers, fishermen, rural artisans and others. The primary objective of an FPC is to enhance the income of its members through collective marketing of agricultural

produce, supply of agricultural inputs, value addition, and provision of various support services. To facilitate the formation of such farmer-led enterprises, the Government of India amended the Companies Act, 1956, enabling primary producers to establish business organizations in the form of producer companies (Government of India, 2002). Farmer Producer

Companies have increasingly been recognized as an effective institutional mechanism for strengthening farmers' bargaining power, improving access to markets, and enhancing farm income (Trebbin, 2014; Mukherjee *et al.*, 2018). In recent years, FPCs have gained policy attention as a viable approach for integrating small and marginal farmers into modern value chains and improving their economic resilience (NABARD, 2020; Chand & Singh, 2021).

Group dynamics refers to the members' perceived sense of belongingness, adherence to shared norms for operation, maintenance and management functions, active participation in group activities and decision-making, and the ability to understand the feelings and thoughts of fellow members. It also reflects the presence of a favourable group environment that binds members together and promotes cooperation (Forsyth, 2018). Effective group dynamics strengthens communication, coordination, trust and collaboration among members, which are essential for the successful functioning of collective organizations such as Farmer Producer Companies (Robbins & Judge, 2017). Recent studies have also emphasized that social capital, leadership behaviour and member participation play a crucial role in strengthening collective action within producer organizations (Jayaraman *et al.*, 2023; Kumar *et al.*, 2023).

Since collective action plays a significant role in improving the socio-economic conditions of farmers, it becomes imperative to understand how group activities are organized and how they help address the constraints faced by farmers. Groups represent a typical organizational unit, and therefore the study of group dynamics has become an important area of research in organizational behaviour. Various factors such as leadership, cohesion, communication, participation and conflict management influence group functioning and effectiveness (Cartwright & Zander, 1968). In the context of Farmer Producer Companies, these factors significantly influence the performance, sustainability and overall effectiveness of the organization (Ponnusamy & Pabba, 2024).

As group work is integral to the success of organizations, addressing issues related to group dynamics can lead to improved work outcomes, higher member satisfaction and better organizational performance. In Farmer Producer Companies, effective group functioning among board members and general

members is crucial for achieving organizational objectives and ensuring long-term sustainability. Strengthening group cohesion, participatory decision-making and leadership capacity within FPCs can significantly enhance their operational efficiency and member benefits (Kumar *et al.*, 2022; Ajith & Bonny, 2022). Developing strategies for mobilizing and strengthening farmer groups for active participation in Farmer Producer Companies (FPCs) is of paramount importance. The internal characteristics of groups such as their formation, structure, processes, and functioning significantly influence individual members, other groups, and the organization as a whole. Although FPCs are promoted to enhance farmers' collective action and income, their success largely depends on effective group functioning, leadership, participation, and coordination among members. Therefore, studying the group dynamics of Farmer Producer Companies (FPCs) is essential to understand their effectiveness and improve organizational performance and sustainability. In this context, the present study was undertaken with the objectives of the study are to examine the socio-economic and personal profiles of members of Farmer Producer Companies (FPCs), to assess the effectiveness of group dynamics among these members, and to analyze the relationship between their profile characteristics and the level of group dynamics effectiveness within the organizations.

Materials and Methods

The study was conducted in Middle Gujarat, which falls under the jurisdiction of Anand Agricultural University, Anand. An ex-post facto research design was employed for the study. Twenty Farmer Producer Companies (FPCs) were selected from Middle Gujarat based on the criterion that they had been established for at least three years. From each selected FPC, ten respondents were randomly selected, comprising three board members and seven non-board members, resulting in a total sample size of 200 respondents. Data were collected using a pre-tested interview schedule. The group dynamic of members of FPCs was quantified by using "Group Dynamics Effective Index", which was developed. Overall group dynamics effectiveness was calculated for each respondent with the help of following formula.

$$GDEI = [(R_1/M_1) \times S_1/S^+ + (R_2/M_2) \times S_2/S^+ + \dots + (R_n/M_n) \times S_n/S^+] \times 100$$

GDEI= Group dynamics effectiveness index of

respondents

R_1, R_2, \dots, R_n = Group dynamics effectiveness score obtained by the respondents for the particular group dynamics effectiveness indicator

M_1, M_2, \dots, M_n = Potential score of respondents for particular group dynamics effectiveness indicator

S_1, S_2, \dots, S_n = Scale value of the particular group dynamics effectiveness indicator

S = Total scale value of all indicators

Results and Discussion

To study the profile of members of selected FPCs, selected personal characteristics were analyzed based on the review of literature. The findings revealed that about half (51.50%) of the members belonged to the middle-age group, followed by young (27.86%) and old age (20.71%) categories. Similarly, a majority of board members (53.33%) were also in the middle-age group. Regarding education, a large proportion of members had secondary (39.28%) and higher secondary (28.57%) education, while 27.15% possessed a degree or higher qualification. Overall, more than two-thirds (69.00%) of the FPC members had secondary to higher-secondary level education.

The findings revealed that the majority of the members of Farmer Producer Companies (FPCs) possessed moderate levels of several socio-economic and psychological characteristics. More than half of the respondents (59.00%) had a medium level of farming experience, while 20.71 per cent and 17.86 per cent had low and high levels of farming experience, respectively. Nearly half of the respondents (50.00%) belonged to small family size, followed by medium (37.85%) and large families (14.29%). In terms of annual income, a considerable proportion of members (42.00%) earned between Rs. 1,00,001 and Rs. 1,50,000 per year. Regarding landholding, more than half of the respondents (58.00%) had medium landholdings ranging from 4 to 10 hectares. A large majority of the members (73.00%) had medium levels of mass media exposure, while 57.50 per cent had medium access to market facilities. Similarly, more than half of the respondents

reported medium levels of social participation (62.50%) and extension participation (54.50%).

The results further indicated that a majority of the members had medium levels of economic motivation (66.50%), market orientation (65.50%), cosmopolitanism (59.00%), achievement motivation (66.00%), and innovativeness (55.00%). With regard to their attitude towards FPCs, more than half of the members (56.00%) expressed a neutral attitude, while 30.00 per cent had a favourable attitude. Overall, the results suggest that most FPC members exhibited moderate levels of characteristics that influence their participation and involvement in FPC activities.

The study revealed that a majority of the members of Farmer Producer Companies (FPCs) exhibited moderate to good levels of various group dynamic components. More than half of the members (57.00%) had a medium level of participation, while 25.71 per cent had high participation. About half of the respondents (51.00%) showed a medium level of teamwork. A majority (61.50%) of the members reported a good group atmosphere, indicating a favourable working environment within the FPCs. Similarly, 62.50 per cent of the members demonstrated a good level of decision-making ability. Regarding group cohesiveness, more than half (53.50%) of the members had a medium level of cohesion, while 64.50 per cent exhibited a good level of group leadership.

In terms of organizational performance indicators, 64.50 per cent of the members reported a medium level of achievement of FPCs, and 63.00 per cent had a medium level of fund generation. Furthermore, slightly more than half (51.00%) of the members were categorized under good group norms, indicating adherence to shared values and rules within the organization. The results also indicated that 71.50 per cent of the members had a medium level of empathy, reflecting mutual understanding among members, while 60.00 per cent had a medium level of social support. Overall, the findings suggest that most FPC members exhibited moderate to good levels of group dynamic characteristics, which are essential for the effective functioning and sustainability of Farmer Producer Companies.

Table.1 Profile of members of FPO

Category	f	Per cent	f	Per cent	f	Per cent
	Members (n=140)		Board members (n=60)		Overall (n=200)	
Age						
Young <30 years	39	27.86	15	25.00	54	27.00
Middle 31-50	71	51.43	32	53.33	103	51.50
Old > 50	30	20.71	13	21.67	43	21.50
Education						
Primary	07	05.00	04	6.67	11	05.50
Secondary	55	39.28	21	35.00	76	38.00
Higher-secondary	40	28.57	22	36.66	62	31.00
Degree and above	38	27.15	13	21.67	51	25.50
Farming experience						
Low (< 10 years)	29	20.71	10	16.67	39	19.50
Medium (11-20 years)	86	61.43	32	53.33	118	59.00
High (>20 years)	25	17.86	18	30.00	43	21.50
Family size						
Small (upto 4 members)	67	47.86	31	51.66	98	49.00
Medium (5 to 8 members)	53	37.85	22	36.67	75	37.50
Big (above 8 members)	20	14.29	07	11.67	27	13.50
Income						
Above Rs. 2,00,000	12	08.57	09	15.00	21	10.50
Rs. 1,50,001 to Rs.2,00,000	25	17.86	16	26.67	41	20.50
Rs.1,00,001 to Rs.1,50,000	65	46.43	19	31.67	84	42.00
Rs. 50,001 to Rs.1,00,000	30	21.43	13	21.66	43	21.50
Up to Rs.50,000	08	5.71	03	5.00	11	05.50
Land holding						
Marginal (< 1 ha)	08	05.71	02	03.34	10	05.00
Small (1 ha to 2 ha)	25	17.86	05	08.33	30	15.00
Semi-medium (2 ha to 4 ha)	16	11.43	09	15.00	25	12.50
Medium (4 ha to 10 ha)	80	57.86	36	60.00	116	58.00
Big (>10 ha)	11	07.86	08	13.33	19	09.50
Mass media exposure						
Low	15	10.72	08	13.33	23	11.50
Medium	115	82.14	31	51.67	146	73.00
High	10	7.14	21	35.00	31	15.50
Market facility						
Low	06	4.20	07	11.67	13	06.50
Medium	95	67.95	30	50.00	125	62.50
High	39	27.85	23	38.33	62	31.00
Social participation						
Low	21	15.00	08	13.34	29	14.50
Medium	84	60.00	41	68.33	125	62.50
High	35	25.00	11	18.33	46	23.00
Extension participation						

Low	14	10.00	09	15.00	23	11.50
Medium	74	52.86	35	58.33	109	54.50
High	52	37.14	16	26.67	68	34.00
Economic motivation						
Low	25	17.86	08	13.33	33	16.50
Medium	93	66.43	40	66.67	133	66.50
High	22	15.71	12	20.00	34	17.00
Market orientation						
Low	22	15.71	12	20.00	34	17.00
Medium	97	69.29	34	56.67	131	65.50
High	21	15.00	14	23.33	35	17.50
Cosmopolitness						
Low	25	17.85	09	15.00	34	17.00
Medium	87	62.15	31	51.67	118	59.00
high	28	20.00	20	33.33	48	24.00
Achievement motivation						
Low	22	15.71	14	23.33	36	18.00
Medium	104	74.29	28	46.67	132	66.00
High	14	10.00	18	30.00	32	16.00
Innovativeness						
Low	30	21.43	10	16.67	40	20.00
Medium	78	55.71	32	53.33	110	55.00
High	32	22.86	18	30.00	50	25.00
Attitude towards FPO						
Non-Favourable	21	15.00	06	10.00	27	13.50
Neutral	77	55.00	35	58.33	112	56.00
Favourable	42	30.00	19	31.67	61	30.50

Table.2 Distribution of the FPCs members and board members according to different indicators

Characters	Category	Freq.	Per cent	Freq.	Per cent	Freq.	Per cent
		Members (n=140)		Board members (n=60)		Overall (n=200)	
Participation	Low	18	12.86	11	18.33	29	14.50
	Medium	86	61.43	28	46.67	114	57.00
	High	36	25.71	21	35.00	57	28.50
Team work	Low	33	23.57	06	10.00	39	19.50
	Medium	66	47.14	36	60.00	102	51.00
	High	41	29.29	18	30.00	59	29.50
Group atmosphere	Poor	14	10.00	07	11.67	21	10.50
	Good	84	60.00	39	65.00	123	61.50
	Excellent	42	30.00	14	23.33	56	28.00
Decision making procedure	Poor	22	15.71	04	06.67	26	13.00
	Good	78	56.43	46	76.67	125	62.50
	Excellent	39	27.86	10	16.67	49	24.50
Group	Low	23	16.43	10	16.67	33	16.50

cohesiveness	Medium	70	50.00	37	61.67	107	53.50
	High	47	33.57	13	21.67	60	30.00
Group leadership	Poor	22	15.71	9	15.00	31	15.50
	Good	88	62.86	41	68.33	129	64.50
	Excellent	30	21.43	10	16.67	40	20.00
Achievement of FPO	Low	22	15.71	08	13.33	30	15.00
	Medium	86	61.43	43	71.67	129	64.50
	High	32	22.86	09	15.00	41	20.50
Fund generation	Low	25	17.86	03	5.00	28	14.00
	Medium	82	58.57	44	73.33	126	63.00
	High	33	23.57	13	21.67	46	23.00
Norms	Poor	28	20.00	07	11.67	35	17.50
	Good	70	50.00	32	53.33	102	51.00
	Excellent	42	30.00	21	35.00	63	31.50
Empathy	Low	17	12.14	04	06.67	21	10.50
	Medium	95	67.86	48	80.00	143	71.50
	High	28	20.00	08	13.33	36	18.00
Social support	Low	22	15.71	04	06.67	26	13.00
	Medium	74	52.86	46	76.67	120	60.00
	High	44	31.43	10	16.67	54	27.00

Table.3 Distribution of overall group dynamics effectiveness of FPCs members

Category	f	Per cent	f	Per cent	f	Per cent
	Members (n=140)		Board members (n=60)		Overall (n=200)	
Low	21	15.17	7	11.33	28	14.00
Medium	87	62.33	42	70.66	129	64.50
High	32	22.50	11	18.01	43	21.50

Table.4 Relationship between the profile of FPC members and Board members and their group dynamics effectiveness

Sr. No.	Independent variable	'r' value	'r' value
		(n=140)	(n=60)
1.	Age	0.460**	0.308*
2.	Educational level	0.302*	0.248*
3.	Farming experience	0.087 ^{NS}	-0.079 ^{NS}
4.	Family size	0.389 ^{NS}	0.073 ^{NS}
5.	Annual income	0.248*	0.321 *
6.	Land holding	0.593**	0.423**
7.	Mass media exposure	0.211* ^{NS}	0.181 ^{NS}
8.	Market facility	0.478**	0.395**
9.	Social participation	0.303*	0.344*
10.	Extension participation	0.148*	0.215*

11.	Economic motivation	0.221*	0.200*
12.	Market orientation	0.502**	0.578**
13.	Cosmopolitaness	0.357*	0.381*
14.	Achievement motivation	0.548**	0.660**
15.	Innovativeness	0.344*	0.303*
16.	Attitude towards FPO	0.220*	0.327*

Overall group dynamics effectiveness of FPCs members

When group dynamics effectiveness is calculated results showed that less than two-thirds (62.33 per cent) and less than three-fourths (70.66 per cent) falls under medium level in members and board members of FPC's, respectively. Slightly less than two third (70.66 per cent) of the board member's had medium level of group dynamics effectiveness. Followed by 18.01 per cent and 11.33 per cent board members were found high and low category. It can be concluding that majority (85.00 per cent) of the FPC member's had medium to high level of group dynamics effectiveness.

Relationship between the between the profile of members and their group dynamics effectiveness

With a view to studying the role of independent variables on the level of group dynamics effectiveness of members and board-members of FPCs, coefficient of correlation was worked out and results are presented in Table 4. When relationship between profile of FPC's members (in both board members and non- board working members) and group dynamics effectiveness, it is found that age, educational level, annual income, land holding, market facility, social participation, extension participation, economic motivation, market orientation, cosmopoiltness, achievement motivation, innovativeness and attitude towards FPC are positively significant. While, farming experience, family size, mass media exposure is non-significantly correlated with group dynamics of FPC.

To epitomize the results, it can be stated that the majority of the respondents belonged to the middle age group, had higher secondary to graduate level of education, possessed medium farming experience, and earned an annual income between Rs. 1,00,000 and Rs. 1,50,000, with medium size landholdings.

The respondents also had medium levels of market facilities, cosmopolitaness, and market orientation, along

with high economic motivation and a favourable attitude towards Farmer Producer Companies (FPCs). These findings indicate that socio-economic and psychological characteristics of farmers play an important role in their participation and functioning within producer organizations (Kumar *et al.*, 2023; Ponnusamy & Pabba, 2024).

The study further revealed that variables such as age, education, annual income, landholding, market facility, social participation, extension participation, economic motivation, market orientation, cosmopolitaness, achievement motivation, innovativeness, and attitude towards FPCs had a positive and significant relationship with group dynamics effectiveness. Similar observations have been reported in recent studies emphasizing that social capital, leadership, participation, and behavioural characteristics significantly influence the effectiveness and sustainability of Farmer Producer Companies (Jayaraman *et al.*, 2023; Ajith & Bonny, 2022).

Therefore, policymakers and development agencies should focus on encouraging greater participation of young farmers in FPCs. Efforts should also be directed towards strengthening FPCs at the village level through capacity building programmes, training, exposure visits, demonstrations, regular extension activities, and improved market linkages. Such initiatives will help enhance the organizational effectiveness, collective action, and sustainability of Farmer Producer Companies, thereby contributing to improved farmer income and rural development (NABARD, 2023; Government of India, 2020).

Author Contributions

Hemlata Saini: Investigation, formal analysis, writing—original draft. G. Nethravathi: Validation, methodology, writing—reviewing. J. B. Patel:—Formal analysis, writing—review and editing.

Data Availability

The datasets generated during and/or analyzed during the

current study are available from the corresponding author on reasonable request.

Declarations

Ethical Approval Not applicable.

Consent to Participate Not applicable.

Consent to Publish Not applicable.

Conflict of Interest The authors declare no competing interests.

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