

BOOK REVIEW

Sukhpal Singh, *India's Producer Companies and Small Farmers: Performance and Impact*, Indian Studies in Business and Economics, Springer Nature Singapore Pte Ltd, Singapore, 2024. 207 pages, Rs 13330.

Following an amendment to the Companies Act in 2003 to recognize farmers' producer companies (PCs) there has been a big push in India by state entities and non-governmental organisations to establish and support such PCs. With an explicit business orientation, they were seen as an alternative to traditional cooperatives with a strong focus on social issues. Further, traditional cooperatives have often performed poorly due to well-known problems of bureaucracy, corruption, and political patronage. PCs mainly aim to provide economies of scale in marketing of inputs and outputs and offer more flexibility than cooperatives to buy and sell to non-members. Some PCs also provide services of processing and assembly, information and training, credit, and insurance. Given that farmers own the equity in PCs, incentives are assumed to be better oriented to profits.

Professor Sukhpal Singh and his team from the Indian Institute of Management, Ahmedabad, used a case study approach to analyse the performance and impacts of 25 purposefully selected PCs in four states (UP, Rajasthan, MP, and Tamil Nadu), involving 13 different promoters. The selected PCs represented a wide variety of enterprises with many using a cluster approach built around a specific product type such as seed, organic vegetables, or dairying. The team obtained both quantitative and qualitative data through interviews with board members, management, and 10 members and 10 non-members for each PCs. Performance and other data were collected retrospectively for three to five years between 2015 and 2019.

The book consisting of six chapters begins with a review of experiences to date with PCs, followed by a section on the methods employed by the team. The main body of the book consists of four chapters, one for each of the states included in the study. The final chapter provides a synthesis and policy recommendations.

As expected, given the diversity of PCs, performance and impacts are quite heterogeneous. However, with some notable exceptions, overall performance in terms of profits and equity buy-in and ownership by farmers was weak. Most PCs were focused on input procurement. On the output side, the main benefit was access to the minimum support price for food grains rather than links to private markets. Impacts on members' incomes were positive in many cases but this finding needs to be treated with caution given the lack of a statistical sample and an explicit counterfactual.

The study provides practical recommendations to strengthen PCs such as building output linkages through contract farming, using local rather than national

promoters, training and capacity building for staff and members, and public support for critical infrastructure such as cold chains. This reviewer would have liked to have seen more strategic recommendations on factors determining long-term sustainability of PCs, such as the role of prior collective action, a focus on clusters vs general product coverage, and within clusters, the role of perishability, seasonality, and standards on quality and production processes in determining potential benefits.

Most readers will find the literature review in Chapter 1 and the conclusions in chapter 6 most useful. Given the plethora of detail state-specific chapters will be of most interest to researchers and policy makers in that state. The book's overall presentation and readability could have been enhanced by cutting the excessive reporting of numerical data and acronyms in the text and the 116 tables (many spanning 2 or more pages), that take up 85 pages in the book. Likewise, a more careful editing would have caught glitches such as diary (for dairy), week (for weak), and "non-women members."

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