Does membership of producer organization matter for smallholders’ market participation and associated benefits? Evidence from rice markets in India

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Outline

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Summary

- Welfare effects of membership in a type of traditional PO-PACS of paddy farmers from Uttar Pradesh, India
- Conditional mixed process model was used to understand the farmer decision to join POs, level of market participation and its impact on market prices and farm income.
- Household factors - gender, years of education, farm size, family size, ownership of transportation vehicle, family labour and access to off-farm activities;
- Institutional factors - access to extension services, credit, and good road infrastructure
- Market-related factors: interlocked markets, distance to main market and access to market information
- Membership in POs increase the market prices realized and farm income
Originality

- Crop-specific Producer Organization embedded in Primary Agricultural Co-operatives
- Studies have looked at rice (Case studies Ohja and Raju 2015), but not impact assessment
- But why it’s important to look into this and what’s different in such crop-based POs?
- POs or PACS?
Relationship to Literature

- Well reviewed
- Theoretical or conceptual framework (Impact pathway)
- Interlocked transaction - interesting variable
- Discussion review limited to literature which is in line with the results?
Methodology

- Sampling - Is it a different PO or the same PO?
- If different - have you looked into the effect of POs?
- Role of POs - Are farmers selling their produce using P0s?
- Impact pathway?
- Why Conditional (recursive) mixed process estimator (CMP)?
- Endogeneity issues - access to extension services, credit, interlocked markets
- Not robust enough for casual analysis/inference (impact!)
Results

- Clarify PO or PACS- PACS roles
- Using PO’s broader definition here is misleading
- Huge variability in the intensity of market participation and interlocked transaction (how it’s measured?)
- Is the characteristics between members and non-members significantly different?
- For most variables- effect sizes are zero or negligible- no economic inference
- How did you get this results- market prices by 13% and farm income by 182%?
- policy measures?
Suggestions

- Explicitly stating contribution to the existing literature
- Clarify Pos or PACS
- Impact pathway
- Expanding the scope of CMP with multiple equations to solve the endogeneity issue
- Using Instrumental variables in CMP
- Avoid stating it as an impact assessment (methodology not robust enough for causal inference)
- Add table number when you are referring to the key results