ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 10| October 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

RELATIONAL DETERMINANTS OF FARMERS' COMMITMENT TOWARD FARMER PRODUCER ORGANIZATIONS: AN EMPIRICAL STUDY OF FPOS IN THE KRISHNA DISTRICT, ANDHRA PRADESH

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Article DOI: https://doi.org/10.36713/epra24648
DOI No: 10.36713/epra24648

ABSTRACT

The agriculture sector forms the backbone of the Indian economy, yet farmers continue to face challenges in realizing fair prices and sustainable profits due to an unorganized agricultural supply chain. To address these issues, Farmer Producer Organizations (FPOs) have emerged as collective platforms that enhance farmers' bargaining power and market access. However, the success of these organizations largely depends on the commitment of their members. This study explores the factors influencing farmers' commitment toward FPOs in Vijayawada, focusing on three key relational constructs: trust, satisfaction, and information sharing. Data were collected from 250 farmers belonging to three FPOs in Vijayawada and the Krishna district. Using Structural Equation Modelling (SEM) with AMOS and SPSS software, the study found that all three variables – trust, satisfaction, and information sharing – have a positive and significant relationship with farmers' commitment. The model demonstrated a good overall fit. Findings reveal that transparency in payments, participatory decision-making, and regular information flow from NGOs and FPO management significantly enhance farmers' trust and satisfaction, thereby strengthening their long-term commitment. The results highlight the importance of relational quality in ensuring the sustainability and effective functioning of FPOs in the Indian agricultural context.

KEYWORDS: *Farmer Producer Organizations (FPOs); Farmers' Commitment; Trust; Satisfaction; Information Sharing; Structural Equation Modelling (SEM); Vijayawada.*

INTRODUCTION

Agriculture sector is the back bone of Indian economy, but still farmers are not able to earn the maximum profits. Despite of hard work and risk still farmers are facing hassle to sell their produces for better prices. This is because of unorganised agricultural supply chain. This sector mainly confined to production oriented and limited to more than 82% of small and marginal land holdings. It provides employment opportunities to nearly 56 percent of Indian work force and helps in eradication of poverty and food security in the country. The lack of access to resources and services, Low marketable surplus, lack of access to quality inputs, lack of credit facility, lack of availability of modern technologies, and lack of assured markets and failure of the crops makes the small and marginal farmers to rely on the local money lenders and monopolistic exploitation of intermediaries. In order to overcome these challenges faced by small and marginal farmers there should be a proper mechanism in agricultural supply chain management. A number of initiatives has been taken by the government. Based on the recommendations of Y K Alagh Committee in the year 2001 a new amendment was added to the Companies Act, 1956 which leads to pave the way for the concept of 'Producer Companies' (PC) (Marbaniang, Chauhan& Kharumnuid,2019). FPOs are also called as farmers producers companies that will be controlled by farmers. These are basically farm owned and farmer governed micro enterprises. These FPCs are known as hybrid between cooperatives and private companies. The operations and activities such as participation, membership and organisation of FPCs are quite similar to Cooperatives (Mukherjee, Singh, Ray, Satyapriya, & Burman, 2018). Here the farmers elect their representative through voting system.

Therefore the Farmer producer organisation (FPO) is needed to bridge the gap between farmers and outside world (Nikam, Singh,Ashok & Kumar,2019). For rural areas it is considered as a new business model (Mukherjee, Singh, Rakshit, Priya, Burman, Shubha, Sinha & Nikam,2019). FPOs enables farmers to pool their all produce at one place and sell their resources for higher profits, therefore it enables each individual farmers to reduce the risk (tanager, 2021). The FPOs provides forward and back ward linkages (Nikam et al.,2019). The forward linkages consist of processing, collective marketing, and market-led agriculture production, whereas backward linkages consist of inputs like seeds, fertilizers, credit, insurance, knowledge and extension services (Bikkina et al.,2018). The increased bargaining power reduces the entry barriers to markets through collective actions of small and marginal farmers. it is assumed that farmer's collective actions in the form of FPOs provides good information on modern agriculture technology, improves production efficiency, inputs, investments, reduce the transaction costs, market the final produce, access to markets and government policies. Therefore, these efforts of collective actions are expected to overcome the problems that are linked with small holdings (Nikam et al.,2019). According to FAO

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2007 as cited in (Nikam et al.,2019) in longer time perspective FAO plays an important role in empowerment, elimination of poverty and advancement of farmers.

The organisational commitment was taken from the concept of relationship and exchange between two fundamental factors such as employees and organisation (Allen and Meyer, 1996). According to Mowday, Steers, and Porter, (1979) organization commitment is "the relative strength of an individual's identification with and involvement in a particular organization" (p. 226). The other authors Meyer, Becker, and Van Dick (2006), formulated organization commitment as "a force that binds an individual to a target (social or non-social) and to a course of action of relevance to that target" (p. 666). Therefore, the Organisational commitment theories will be considered as a best fit to member commitment of Farmer producer organisation (FPOs). Because both will discuss about the common relationship that exist between individuals and the organisation to which they belong (Hao,2018). The commitment of members considered as an important issue in farmer's cooperatives (Bijman & Verhees,2011). The sustainability of cooperatives mainly relies on the commitment of the members. It leads to reduce the transactions costs between members and cooperatives. Therefore, the committed members tend to exchange the information related to price, quality etc. Here trust considered as one of the social factor that affects member commitment (Bijman & Verhees,2011; Doucette,1997). It acts as a significant factor in developing commitment among supply chain partners (Kwon & Suh,2004). The high level of trust, information sharing and strong commitment that exist among the supply chain partners results in the proper planning and functioning of supply chain management (Kwon et al., 2004). The sharing of effective information between the two parties depends upon the trust exist among them. In one of the study, Satisfaction shows a direct impact on grower's desire to maintain the relationship with preferred market agents (Batt,2003). satisfaction plays an important role in understanding the channel relationships (Geyskens et al.,1999). "it is an emotional response to the overall working relationship with the channel partner" (Geyskens et al.,1999 (p. 223). It influences channel member's morale and make the both parties to take part in collective action (Geyskens et al.,1999). To an organisation, commitment is referred as backup or support. During the initial stage of collective actions commitment act as an important input for making the organisations successful (Tadesse and Kassie,2017). Sometimes the commitment measured using the variables such as labour and financial contribution, supply of quality output to the cooperatives. It is nothing saying that the contributions are mandatory and farmers are committed for cooperatives (FPOs), maybe there was no option left for them or they consider FPOs are best options compare to the other alternatives (Hao,2018). In this study we are going to see what are the factors influencing the commitment of the Farmer producer organisation in Vijayawada district in Andhra Pradesh. These FPOs are managed by the NGOs and perform the operational functions like marketing, providing training and sharing of information related to the loans and beneficiary schemes to the coffee farmers of FPOs, here the NGOs acts as a buyer role and they collect the coffee parchment and dry cherry from the farmers. In the study area the coffee farmers produce was sold to middle man of local and outsiders, NGOs and government agencies(GCC). Majority of literature were considered in this study was on cooperatives. However, both the cooperatives and Farmer producer organisations are same (Mukherjee et al., 2018). So in this study majority of literature drawn from the cooperative societies studies.

METHODOLOGY

The study was conducted on 250 randomly selected members of three farmer producer organizations operating in Vijayawada and Krishna district. Seven FPOs were identified in this area, out of which five were purposively selected for data collection. These FPOs are actively engaged in agricultural activities and supported by local NGOs and government bodies. These organizations provide marketing assistance to farmers and ensure payment for their produce. Random samples were taken from these selected FPOs. This study was conducted in September and October 2025 and aimed to understand the factors influencing farmers' commitment to FPOs in the Vijayawada region. Alongside commitment, three other factors—trust, satisfaction, and information sharing—were analyzed based on literature reviews. The study framed hypotheses to examine whether a positive significant relationship exists between commitment and these three exogenous variables. To test these hypotheses, Structural Equation Modelling (SEM) was employed, using software such as AMOS, SPSS, and MS Excel for rigorous data analysis. The findings and conclusions are applicable to the farmers of the selected FPOs in the Vijayawada and Krishna district area.

RESEARCH FRAME WORK

Commitment

Tadesse and Kassie (2017) defined commitment in cooperatives as "the willingness of members to forfeit certain benefit for the advantage of a collective action". Rylander et al., (1997) defined Commitment as "an enduring desire to develop and maintain exchange relationships characterized by implicit and explicit pledges and sacrifices for the long-term benefit of all partners involved" (p. 60). Morgan & Hunt (1994) defined commitment as "an exchange partner believing that an ongoing relationship with another is so important as to warrant the maximum effort to maintain it" (p. 23). According to Mummalaneni (1987) commitment is an important construct that shows the difference between "stayers and leavers". It is the desire to continue the maintained valued relationship of partners in the future. These valued relationship arises when the relationship considers as important (Wilson et al.1986). According to Allen and Meyer (1990) and Meyer et al. (2002) as cited in (Hao,2018) trust is positively related with three different member commitment such as affective commitment, normative commitment and continuance commitment. Affective commitment implies that "it is an emotional or affective attachment to an organisation". Normative commitment refers to "employees' feelings of responsibility to continue with the organisation" and continuance commitment states that it is the "lack of choices other than to remain a member of the organization when leaving it would entail costs and the loss of acquired advantages"

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Hardwick and Ford (1986) opined that commitment supplements the future values and benefits to the partners. The concept of trust and commitment are interconnected, and "commitment is other side of trust" and moreover it is similar to trustworthiness (Tadesse and Kassie.,2017) these two concepts are very essential to collective actions. They determine both short-term success and long-term sustainability (Tadesse & Kassie, 2017). Crotts et al. (2001) opined that commitment is influenced by trust. Nyaga et al. (2009) highlighted that trust results in greater commitment for both buyers and suppliers, compared to suppliers the impact is more for buyers. These two factors aid in the removal of transaction costs, therefore buyers need to supervise their suppliers. Dash et al. (2007) considers trust and satisfaction are the two important factors of commitment, these two constructs result in social bonding between buyer and seller. Geyskens et al. (1997) argued that the affective commitment and expectations of continuity improved by the greater level of trust. Tadesse and Kassie (2017) found that performance of farmers' market organizations improved by trust and commitment. satisfaction and trust are considered as referent variables to relationship commitment (Mishra 2000; Morgan & Hunt,1944). one of the study highlighted that committed small and large farmers sell their produce to cooperatives whereas medium farmers sold to private buyers (Wollni & Fischer,2012).

Trust

Trust plays a key role when there is an existence of uncertainty with the outcome that considers as important (Batt ,2003). "Trust is the extent to which one believes that others will not act to exploit one's vulnerabilities" (Hansen et al.,2001). Rousseau et al. (1998) defined "Trust is a psychological state embracing the intention to accept vulnerability based upon positive expectations of the intentions or behaviours of others". Trust is the willingness of an individual who has confidence in an exchange partner's reliability and integrity (Morgan and Hunt 1994; Moorman et al., 1992). Rousseau and Sitkin (1998) opined that trust act as a key element in establishing buyer-seller relationships. The trust cannot be created easily nor maintained (Tadesse and Kassie,2017). It does not achive in the short term, rather than it attains by continuous exchanges between two parties (buyer and seller), moreover, it results in long-term relationships (Blau,1964; Houston & Gassenheimer, 1987, p10). Both parties of buyers and sellers who possess trust among themselves are committed to common goals and purposes (Tadesse & Kassie,2017). Tsai and Ghoshal (1998) opined that trust facilitates in social and resource exchange, enhances communication, and raises cooperation between individuals. Ostrom (2000) stated that trust in cooperative results in reduction of free riding problems and facilitates in collective actions. It enhances the participations of members in loyalty and governance in the organisation (OleBorgen,2001). Trust leads to enriching effective communication, shares information, and encourages long-term business relationships such as commitment, long-term coordination, and the tendency to continue the relationship (Dwyer et al., 1987; Doney and Cannon, 1997). Mayer et al. (1995) opined trust is the readiness to take the risk, it can be built at a certain time and leads to customer satisfaction (Maria,2008). Camanz et al. (2018) highlight that trust is a vital key variable among peasants and processors to achieve collaborative paths along the agri-food supply chains in Sardinia, Italy. Nyaga et al. (2010) found that collaborative activities, such as sharing information, the effort of joint relationship, and dedicated investments build trust and commitment that develops in improved satisfaction and performance. Geyskens et al. (2020) opined that factors such as farmer's satisfaction, uncertainty, communication, commitment, and asset specificity influence trust. The authors (Batt, 2003; Fischer 2012; Gyau & Spiller, 2007) used the variables such as trust, satisfaction, and commitment for measuring the relationship quality among the farmers and traders. (Gyau et al., 2011 and Giha et al.,2010) used the same constructs to study the relationship quality between farmers and dairies in Germany and UK barley-to-beer and whisky supply chain. In Indonesia, Sahara et al. (2013) collected survey data from 487 farmers from traditional group channels and 112 farmers in the supermarket group channel to study relationship quality between chilli farmers and buyers from the point of farmers' perspective. Based on the cluster analysis, the three variables trust, satisfaction, and commitment were used to measure the relationship quality. Bitaji (2014) opined that trust shows a positive influence on relationship commitment. Geyskens (1997) found that over and beyond the effects of economic results of the relationship, trust underwrites to satisfaction and long-term coordination. Nyaga etal. (2009) implies that trust and commitment lead to developing enriched satisfaction and performance. Geyskens (2019) highlights that the outcome of satisfaction and commitment is influenced by the factor of trust. Hansen et al. (2002) found that trust among members revealed 17% of the difference in-group cohesion, which shows a positive impact on satisfaction. Batt (2003) conducted a study on the Australian fresh produce chain. The author identified generating factors of trust such as perceived honesty, the credibility of information, reliability of promises, satisfaction with relation, goal compatibility, and investments. Hansen et al. (2010) conducted a study to explore the effects of trust in the relationship among members and between the members and cooperative management team of two agriculture marketing cooperatives. The study mainly stressed the effect of trust on cooperative member's performance, satisfaction, and commitment to continue in the cooperatives. The findings of the study reveal that trust among the members and between the members and cooperative management considered as important interpreters of group cohesion that measures the strength of member's wish to continue in the cooperatives. In cooperatives trust enables the members for organisational commitment, loyalty and active participation in the cooperative governance (Tadesse and Kassie,2017).

Information sharing

It is the willingness to share the information openly by the buyer and seller that may be beneficial for both parties (Cannon, 1999). It involves product design, cost information, supply, and demand forecasts. The larger sharing of information results in improved production quality (Emshwiller,1991). Parker et al. (2006) opined that the sharing of information act as a significant role to take a quick decision for fresh products. The sharing of information between parties enables them to better understand the results of their mutual behaviour (Kelley and Thibaut, 1978). The sharing of information influences the commitment and trust of the buyer and supplier. Therefore, buyer side commitment influences satisfaction and performance, whereas

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from the supplier's side it shows an impact on satisfaction (Nyaga et al.,2009). The larger sharing of information results in a reduction of uncertainty and also increases the level of trust and commitment in the buyer and seller-relationship (Nyaga et al.,2009). Kwon & Suh (2004) stated that during the time of the trust-building process, Information sharing act as a key role in the supply chain performances. (Kwon et al.,2004) argues that information sharing improves the level of trust. Bowersox, Closs, & Stank (2000) Stated that successful collaborative partnerships connected with a high level of information sharing. Singh et al. (2019) found that, in collaborative relationships, Information sharing plays an important role in developing long-term orientation and trust among partners. Therefore, trust and collaboration depend on information sharing between the two firms. Trust arises with information sharing, without information sharing trust won't exist. Therefore, information sharing helps the partners to build long term orientation in their relationship.

Satisfaction

Satisfaction can be classified into economic satisfaction and non-economic satisfaction. Economic satisfaction is the positive affective response of the channel members towards the economic rewards that flow from the relationship with its partner, whereas non-economic satisfaction is the channel member's positive affective response of the channel members towards the non-economic, psychosocial aspects of its relationship (Sahara et al., 2013). According to Kotler and Keller (2011) "satisfaction is person's feeling of pleasure or disappointment that resulted from comparing a product's (service's) perceived performance or outcomes against his or her expectations". "satisfaction is a critical piece of the relationship management puzzle" (Whipple et al.,2010). Batt (2003) opined that satisfaction results when performances meet the expectation. The mismatch of performance with expectations leads to dissatisfaction (Awoke, 2014). Many inter-firm studies admitted that satisfaction plays a crucial role in long-term orientation and accomplishment of buyer-seller relationships (Geyskens et al.,1999; Jap and Ganesan 2000; Rodriques et al., 2006). From a cognitive point of view, satisfaction is the outcome of a favorable agreement between the farmers' expectations and their experiences inside the cooperatives (Grashuis and Cook, 2019). Lario et al. (2014) found that satisfaction is influenced positively by trust, information, and control. (Hunt and Nevin, 1974) stated that satisfied buyers and sellers show less interest to exit the relationship. Higuchi et al. (2020) opined that farm size or household size is being linked with the existing changing levels of farmer satisfaction. Batt (2003) opined that satisfaction with the exchange builds trust. There is a positive relationship that exists between satisfaction and trust (Anderson and Narus, 1990; Dwyer et al., 1987). These kind of relationship emerges with the mutual trust of both parties.

Research Gap

Very few studies concentrated on trust, satisfaction, information sharing and commitment level between farmers and FPOs, and also cooperatives in agriculture. One of the study used these three variables (satisfaction, trust and commitment) in measuring the relationship quality in UK barley to beer and whisky supply chain (Giha and Leat.,2010). These studies are mainly confined to western countries. The importance of relationship quality among farmers and FPOs were less focused in the literature, especially in developing countries (Sahara et.al 2013). Still there is a gap prevalent in empirical studies that which needed to be examine the relationship between commitment-trust, commitment-satisfaction, commitment-information sharing. The previous studies mention the relationships such as trust to commitment (Barraud-Didier et al., 2012), satisfaction to long-term commitment (Arcas-Lario et al., 2014; Hernandez-Espallardo et al., 2012) and information sharing to commitment (Nyaga et al.2009). The two authors Kwon & Suh., (2004) stated that integration of supply chain is mainly achieved by commitment, whereas trust act as the main factor in developing the commitment. Therefore, the present study proposes that, along with the trust, satisfaction and information sharing were added in order to build commitment. Based on the previous studies the conceptual model, objective and hypotheses were formulated.

"What is the relationship between Trust, Satisfaction, Information sharing, and commitment of farmers with FPOs"?

Hypothesis of the study

1) Trust is positively related to affective commitment
2) Satisfaction is positively related to affective commitment
3) The Information sharing shows positive relation to affective commitment

The Structural Equation Modelling (SEM) will answer the research question by analysing the collected data from 200 farmers in the West Garo Hills.

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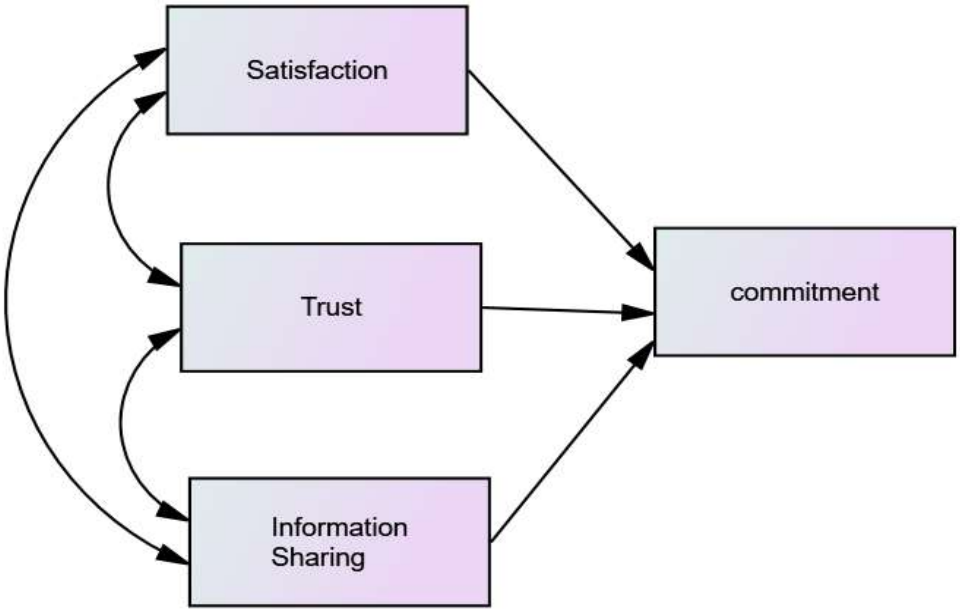


Figure 1 Conceptual Framed Model

As mentioned in the above conceptual frame work the study considered three exogenous independent latent variables and one endogenous dependent latent variables. The items were considered from different studies with little modifications. These items were measured with the help of five point Likert scale (1) strongly disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly agree.

Table 1: Variables used and measurements

Constructs	Items	Descriptions of the items (dimension)	Likert Scale
Commitment (Allen and Meyer (1990) and Meyer et al. (2002)	CMT1	I will be very happy to spend the rest of my career with this company	Strongly disagree (1) to strongly agree (5)
	CMT2	It would be very economically costly for me to leave my company	
	CMT3	Jumping from this company to other company seems unethical to me	
Information sharing (Galappaththi, Kodithuwakku& Galappaththi.,2016) (Yeshitila et al. (2020)(Heide and John, 1992; Mohr and Sohi ,1995)	IS1	The company provides Information related to cost, sales and marketing activities	Strongly disagree (1) to strongly agree (5)
	IS2	The company always explains decisions that may affect its farmers	
	IS3	The company informs the farmers about the quality requirement and price changes	
	IS4	The company informs You about the results of the company	
Satisfaction (Grashuis and Cook (2019)	S1	I am satisfied with my membership in the company	Strongly disagree (1) to strongly agree (5)
	S2	The company pays fair prices	
	S3	I feel grateful to be a member of the company	
	S4	I would recommend membership to another farmer	
Trust (Grashuis and Cook (2019;Kumar et al., 1995;Yeshitila, Bunyasiri, & Sirisupluxana.,2020;Yeshitila, Bunyasiri,& Sirisupluxana,2020)	T1	I trust the board of directors to make balanced decisions	Strongly disagree (1) to strongly agree (5)
	T2	When the company makes important decisions, it takes into account its farmers' interests	
	T3	Company consider farmer's welfare while making price decision	
	T4	Farmers get company support	

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Table 2: Reliability Statistics

Total no of Items	Cronbach's Alpha (α)	KMO	Bartlett's Test		
			Approx. Chi-Square	DF	Sig
15	0.89	0.886	2261.302	105	0.0001
Note: *** Significant at p<0.0001 significant level.					

Table 3: Rotated Component Matrix

Items	Factor Loadings			
	1	2	3	4
S3	0.846			
S2	0.844			
S4	0.813			
S1	0.776			
T3		0.854		
T2		0.83		
T4		0.822		
T1		0.813		
IS1			0.802	
IS4			0.761	
IS2			0.758	
IS3			0.731	
CMT1				0.851
CMT2				0.848
CMT3				0.803

Confirmatory Factor Analysis

Hair et al. (2016) suggested SEM in order to find complex relationships and testing the theory. Before proceeding to path analysis it is mandatory to check convergent validity and reliability validity of the model by using CFA. The good thumb rule for the Average Variance Extracted (AVE) of above 0.5 or higher indicates adequate convergent validity (Hair et al., 2010; Malhotra and Dash ,2011). From the below table AVE value ranges from 0.613 to 0.733 which are above from the recommended value (0.5). Similarly, the composite reliability above 0.7 indicates good construct reliability (Gefen et al.,2000; Kline and Thompson, 2010 and Hair et al., 2010). From the same table CR values ranges from 0.861 to 0.895 which is more than recommended value. Therefore, all the above given conditions found to be satisfactory for the proposed model. Hence we can finalise that the model has a convergent validity.

In a research model, Discriminant validity explains the distinctiveness of each construct from its counterparts (Gessesse et al., 2019). The Discriminant validity arises when self-correlation of a construct is higher than its cross-correlations from other constructs (Gessesse et al., 2019). In the below table we can observe that AVE estimates are higher than corresponding squared inter construct correlation (SIC) that provides the evidence of Discriminate validity.

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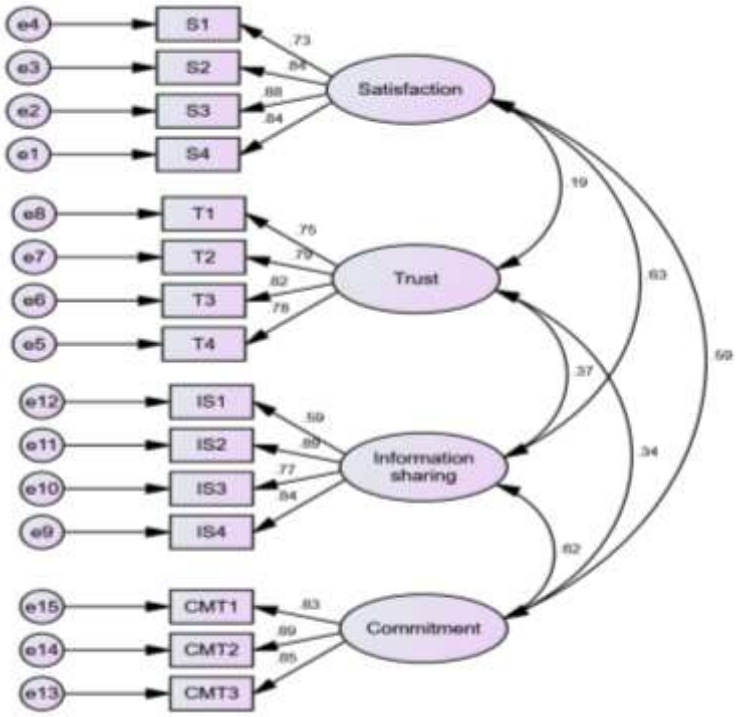


Figure 2: Confirmatory Factor Analysis

Table 4: Calculation of AVE and CR

		Constructs	Factor Loading(FL)	Item Reliability (IR)	Delta	AVE	Sum of FL	Sum of Delta	CR
S1	<---	Satisfaction	0.734	0.539	0.461				
S2	<---	Satisfaction	0.840	0.706	0.294				
S3	<---	Satisfaction	0.877	0.769	0.231				
S4	<---	Satisfaction	0.843	0.711	0.289	0.681	3.294	1.276	0.895
T1	<---	Trust	0.751	0.564	0.436				
T2	<---	Trust	0.787	0.619	0.381				
T3	<---	Trust	0.821	0.674	0.326				
T4	<---	Trust	0.784	0.615	0.385	0.618	3.143	1.528	0.866
IS1	<---	Information sharing	0.589	0.347	0.653				
IS2	<---	Information sharing	0.892	0.796	0.204				
IS3	<---	Information sharing	0.773	0.598	0.402				
IS4	<---	Information sharing	0.843	0.711	0.289	0.613	3.097	1.549	0.861
CMT1	<---	Commitment	0.829	0.687	0.313				
CMT2	<---	Commitment	0.887	0.787	0.213				
CMT3	<---	Commitment	0.852	0.726	0.274	0.733	2.568	0.800	0.892

Table 5: Discriminant Validity of Long Term Commitment

Factors	AVE	Squared Inter construct Correlation (SIC)			
		SF	T	IS	CMT
SF	0.681	-	0.03	0.39	0.34
T	0.618	0.03	-	0.14	0.11
IS	0.613	0.39	0.14	-	0.38
CMT	0.733	0.34	0.11	0.38	-

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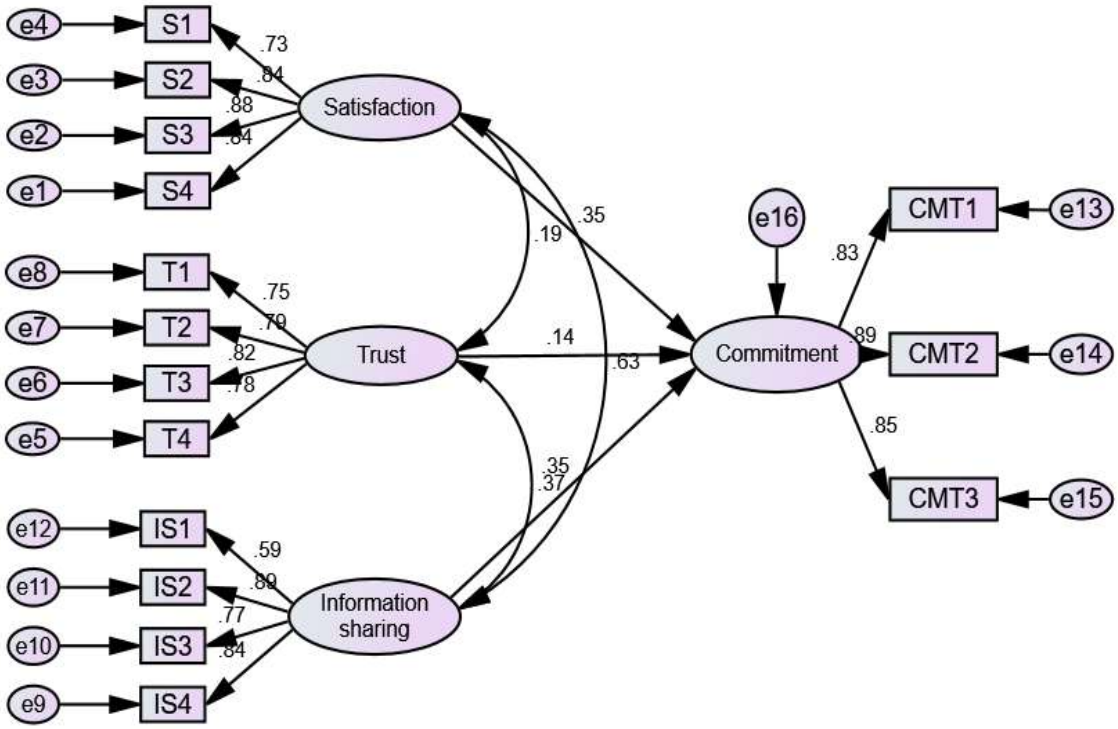


Figure 3: Structural Equation Model by AMOS 22

Table 6: Goodness of Fit Indices

Indices	Value	Suggested value
Chi-square value	106.729	> 0.05 (Hair et al., 1998)
DF	84	
P value	0.048	> 0.05 (Hair et al., 1998)
Chi-square value/DF	1.271	< 5.00 (Hair et al., 1998)
GFI	.948	> 0.90 (Hu and Bentler, 1999; Jöreskog and Sörbom.,1993)
AGFI	. 926	> 0.90 (Hair et al. 2006; Jöreskog and Sörbom .,1993)
NFI	. 954	> 0.90 (Hu and Bentler, 1999; Bentler and Bonett .,1980)
CFI	.990	> 0.90 (Daire et al., 2008; Byrne .,2010)
RMR	. 051	< 0.08 (Hair et al. 2006; Hu and Bentler .,1999)
RMSEA	.033	< 0.08 (Hair et al. 2006; Steiger .,1990)
Note: ** *denotes significant at 1% level		

From the above table it is clearly stated that Chi-square value divided by degree of Freedom value (CMIN/DF) is (1.271) which is below less than 5 represents the model is a good fit. It is also observed that Goodness of fit index(GFI) value (0.948), Adjusted Goodness of Fit Index (AGFI) value (0.926), Normed fit index(NFI) value (0.954) and Comparative fit index (CFI) value (0.990) which are greater than 0.90 indicates perfectly fit. Therefore, it is also found that Root mean square error of approximation(RMSEA) value (0.033) and Root mean square error (0.051) which is less than 0.08 implies that the model is perfectly fit.

RESULTS OF THE STRUCTURAL EQUATION MODEL

Table 8: Results of the Measurement Model

Variable			Estimate	S.E.	C.R.	P	Results
Commitment	<---	Satisfaction	0.258	0.058	4.452	***	Accepted
Commitment	<---	Information sharing	0.251	0.06	4.15	***	Accepted
Commitment	<---	Trust	0.102	0.046	2.244	0.025	Accepted
Note: ** *denotes significant at 1% level							

Note: **p < 0.05 and **p < 0.01*

Source: *Authors' own creation*

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 10| October 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

From the above table it is observed that the p value shown as significant which states that there is a positive significant relationship exist between long term commitment and satisfaction. Therefore, the first hypothesis got accepted. Whereas the relationship between trust and long term commitment shows significant relationship with 0.025 implies that second hypothesis also got accepted. It is also observed that information sharing and long term commitment also shows significant relationship which states that the hypothesis also got accepted. therefore, all three objectives were shown as a significant positive relationship.

CONCLUSION

Farmers commitment plays an important role for the viability and success of FPOs. The proposed model supports the importance of commitment of farmers with FPOs. The study aimed to examine the relationship of trust, satisfaction and information sharing in relation to farmer's commitment. Using the sample of 250 farmers from three FPOs the study found that trust, satisfaction and information sharing shows positive relationship with farmer's commitment. The above proposed model also showed good model fit. In the study area the NGOs provides proper information related to price and quality to the farmers. it is also found that NGOs provides the bonus to the FPO farmers. The board of directors also participates in decision making related to the pricing and marketing activities with the NGOs. The transparency payments, taking part in decision making resulted in development of farmers trust with the management. Therefore, the results of the study provide empirical evidence of importance of farmer's commitment in FPOs. These results can be used by the farmer's producer organisation leaders and the NGOs to introduce new strategies in order to develop farmers' commitment that plays an important role for maintaining the proper human resources and long term sustainability of organisation.

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EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
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