

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1452**  
TO BE ANSWERED ON THE 15/12/2023

**STATUS OF FPOS**

1452. SHRI VIKRAMJIT SINGH SAHNEY:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether it is a fact that Government announced in 2019, a target for the formation of 10,000 Farmer Producer Organisations (FPOs) by 2023-24 with a total budgetary outlay of ₹ 6865 Crores;
- (b) the number of FPOs formed and promoted since the announcement, State-wise; and district-wise for Punjab;
- (c) details of currently functional FPOs along with FPO-wise details of their production and annual turnover, State-wise, district-wise for Punjab;
- (d) whether Government has conducted any impact assessment study about the impact of FPOs in increasing productivity and farmers income; and
- (e) if so, the details thereof, if not, the reasons therefor?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI ARJUN MUNDA)

(a) to (c): The Government of India has launched the Central Sector Scheme for “Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)” in the year 2020 with a total budgetary outlay of Rs.6865 Crores which will enable farmers to enhance their bargaining power, leverage economies of scale, reduction in cost of production and enhancing farmers’ incomes through aggregation of their agricultural produce, thus playing a major role towards sustainable incomes. Under the said scheme, FPOs being provided financial assistance upto Rs.18.00 lakh per FPO for a period of 03 years. In addition to this, provision has been made for matching equity grant upto Rs.2,000 per farmer member of FPO with a limit of Rs.15.00 lakh per FPO and a credit guarantee facility upto Rs.2 crore of project loan per FPO from eligible lending institution to ensure institutional credit accessibility to FPOs. Further, Rs.25 Lakhs are given to CBBOs for hand holding each FPO over a period of five years.

As on 30.11.2023, under the said scheme so far, 7597 FPOs have been registered in the country including Punjab. The State wise number of FPOs registered under the said scheme is at Annexure-I. The district wise number of FPOs registered in Punjab is at Annexure-II. The FPO wise details of their production and annual turnover is not captured under the said scheme.

(d) & (e): As per the information received from National Bank for Agriculture and Rural Development (NABARD), NABARD has conducted impact assessment study about the Impact of FPOs in increasing productivity and farmer’s income. The details are provided in the Annexure-III.

**Annexure-I**

State wise number of FPOs registered under the formation and promotion of 10,000 FPOs scheme

S. No.	States/UTs	FPOs registered
1	Andaman & Nicobar	7
2	Andhra Pradesh	355
3	Arunachal Pradesh	118
4	Assam	299
5	Bihar	474
6	Chhattisgarh	159
7	Goa	8
8	Gujarat	388
9	Haryana	148
10	Himachal Pradesh	116
11	Jammu & Kashmir	200
12	Jharkhand	276
13	Karnataka	270
14	Kerala	122
15	Ladakh	3
16	Lakshadweep	1
17	Madhya Pradesh	566
18	Maharashtra	521
19	Manipur	75
20	Meghalaya	52
21	Mizoram	48
22	Nagaland	81
23	Odisha	409
24	Puducherry	5
25	Punjab	118
26	Rajasthan	475
27	Sikkim	13
28	Tamil Nadu	391
29	Telangana	269
30	Tripura	52
31	Uttar Pradesh	1,150
32	Uttarakhand	134
33	West Bengal	294
	Grand Total	7,597

**Annexure-II**

District Wise FPOs formed under central sector scheme for formation and promotion of 10,000 FPOs in Punjab

S. No.	District	FPOs Registered
1	Amritsar	5
2	Barnala	3
3	Bathinda	8
4	Faridkot	3
5	Fatehgarh Sahib	5
6	Fazilka	4
7	Ferozepur	4
8	Gurdaspur	8
9	Hoshiarpur	11
10	Jalandhar	6
11	Kapurthala	5
12	Ludhiana	5
13	Malerkotla	3
14	Mansa	5
15	Moga	4
16	Muktsar	3
17	Nawanshahr (Shahid Bhagat Singh Nagar)	4
18	Pathankot	2
19	Patiala	10
20	Rupnagar	4
21	Sahibzada Ajit Singh Nagar (Mohali)	2
22	Sangrur	7
23	Tarn taran	7
	Grand Total	118

**Impact assessment studies conducted during 2020-21 and 2021-22 about the impact of FPOs in increasing productivity and farmers' income - Major findings.**

Collectivization under FPOs has positively impacted members, especially small and marginal farmers in terms of:

1. **Increase in productivity:** The farm productivity of the member farmers is enhanced substantially. The crop productivity has increased ranging from 18.75% to 31.75%.
2. **Value addition to make agri produce marketable:** The farmers took up primary value addition of a agri produce like cleaning, drying and grading to realise better price compared to raw produce.
3. The primary producers through produce aggregation have enhanced their bargaining power. This has enabled them to take advantage of economies of scale and attracted traders to collect produce at farm gates.
4. **Reduction in post-Harvest Losses:** Post-harvest losses were minimized with increased self-life through value addition and efficient management of agri supply value chain.
5. **Reduction in input cost:** The input cost was reduced on an average in the range of ₹50 to ₹100 per bag of seed and fertilizer.
6. **Storage facilities:** Accessibility of storage facilities enabled farmers to avoid distress sale of produce thereby ensuring better price and increase in the income.
7. **Reduction in transport cost:** Aggregation of produce and bulk transport of inputs and outputs reduces marketing cost, thus, enhancing net income of the producer.
8. Undertaking activities like seed production, bee keeping, mushroom cultivation etc. with a higher margin than traditional business has resulted in higher income.
9. **Increase in average income of the members:** Post-FPO formation, annual income growth per acre was observed to be in the range of Rs.4000 to Rs.30500. in absolute terms and 14%-60% in relative terms.
10. As per a study, FPO membership of farmers translated into higher average price realisation for farmers in states of Kerala, Madhya Pradesh, Odisha, and Rajasthan. In Madhya Pradesh, the sampled farmers who had FPO membership registered an increase of 7.5% in price realisation of produce in kharif (2019) and 12.5% in rabi (2018) seasons. Similarly, in Kerala, the price realisation by FPO member increased by 45%.

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