

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

RAJYA SABHA
UNSTARRED QUESTION NO. 643
TO BE ANSWERED ON THE 08/12/2023

FORMATION OF FPOS IN ANDHRA PRADESH

643. SHRI PRABHAKAR REDDY VEMIREDDY:

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

- (a) whether it is a fact that new 10,000 Farmer Producer Organisations (FPOs) are going to be formed as a Central Sector Scheme (CSS);
- (b) if so, the details thereof and the number of FPOs going to be formed in Andhra Pradesh, district-wise;
- (c) the performance of FPOs formed so far, with a particular reference to Andhra Pradesh; and
- (d) efforts being made to form more FPOs?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) & (b): 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.

Formation & Promotion of FPOs are to be done through Implementing Agencies (IAs) which further engage Cluster Based Business Organizations (CBBOs) to form & provide professional handholding support to FPOs for a period of 5 years. So far, 14 IAs were approved for formation & promotion of FPOs which includes Small Farmers' Agri- Business Consortium (SFAC), National Bank for Agriculture and Rural Development (NABARD), National Cooperative Development Corporation (NCDC), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) etc.

As on 30.11.2023, under the said scheme so far, 461 FPOs have been allocated in the State of Andhra Pradesh. The District-wise number of FPOs allocated in the State of Andhra Pradesh is at Annexure-I.

(c): The performance of the FPOs formed so far, with a particular reference to Andhra Pradesh is at Annexure-II. Further, FPOs started business transactions, the details of work carried by FPOs are as follows:

- i. Supply of quality inputs like seed, fertilizer, pesticides, etc;
- ii. Undertaking aggregation of farmer-members' agri produce for marketing/selling.;
- iii. Making available machinery and equipment on custom hiring basis for members;
- iv. Undertaking value addition like cleaning, assaying, sorting, grading and processing of agricultural produce.

(d): As per the set target, 10,000 FPOs have been allocated to Implementing Agencies under 10,000 FPOs scheme out of which 7597 FPOs have been registered in 34 States/Union territories.

Annexure-I

District-wise number of FPOs allocated in the State of Andhra Pradesh

| Sr. No. | District | No. of FPOs allocated |
|---------|-----------------------------|-----------------------|
| 1. | Alluri Sitharama Raju | 29 |
| 2. | Anakapalli | 15 |
| 3. | Ananthapuramu | 24 |
| 4. | Annamayya | 9 |
| 5. | Bapatla | 15 |
| 6. | Chittoor | 17 |
| 7. | East Godavari | 20 |
| 8. | Eluru | 28 |
| 9. | Guntur | 18 |
| 10. | Kakinada | 12 |
| 11. | Konaseema | 11 |
| 12. | Krishna | 23 |
| 13. | Kurnool | 25 |
| 14. | Nandyal | 17 |
| 15. | NTR | 18 |
| 16. | Palnadu | 24 |
| 17. | Parvathipuram Manyam | 10 |
| 18. | Prakasam | 19 |
| 19. | Sri Potti Sriramulu Nellore | 21 |
| 20. | Sri Sathya Sai | 11 |
| 21. | Srikakulam | 12 |
| 22. | Tirupati | 26 |
| 23. | Visakhapatnam | 2 |
| 24. | Vizianagaram | 21 |
| 25. | West Godavari | 5 |
| 26. | YSR Kadapa | 29 |
| | Grand Total | 461 |

Annexure-II**1. Performance of the FPOs at National Level**

| No. of FPOs registered | No. of FPOs received equity grant | Actual release of Equity Grant reported (₹ crores) | Total Amount released to FPOs (₹ crores) | Amount of CBBO cost disbursed (₹ crores) |
|------------------------|-----------------------------------|--|--|--|
| 7597 | 2,740 | 116.6 | 291.94 | 255.5 |

2. Performance of the FPOs in Andhra Pradesh

| Numbers of FPOs allocated to IAs | No. of FPOs registered | Matching Equity Grant (₹ Crores) | FPO Management Cost (₹ Crores) | CBBO Management Cost (₹ Crores) |
|----------------------------------|------------------------|----------------------------------|--------------------------------|---------------------------------|
| 461 | 355 | 4.39 | 7.64 | 9.21 |
