

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

RAJYA SABHA
UNSTARRED QUESTION NO. 10
TO BE ANSWERED ON THE 02/02/2024

CHALLENGES IN MANAGEMENT OF FPOs

10. SHRI SUJEET KUMAR:

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

- (a) whether any measures have been taken to tackle the constraint of poor professional management faced by Farmer Producer Organisations (FPOs);
- (b) if so, the details thereof; and
- (c) 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, to 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, Cluster Based Business Organizations (CBBOs) are engaged with five categories of specialists to support/ handhold the FPOs for five years for formation & promotion of FPOs. These are from the domain of (i) Crop husbandry; (ii) Agri. Marketing/ value addition and processing; (iii) Social mobilization; (iv) Law & Accounts; and (v) IT/ MIS in agriculture and agriculture marketing. Government of India is giving Rs.25 Lakhs to CBBOs for hand holding each FPO over a period of five years.

FPO requires professionally equipped Manager/CEO/Accountant to administer its activities and day-to-day business with a sole objective to make FPOs socio-economically sustainable. The CEO /Manager is appointed by the executive body of the FPO who should be either graduate in agriculture/ agriculture marketing/ agribusiness management or BBA or equivalent. Locally available professionals with 10+2 and preferably diploma in agriculture / agriculture marketing / agribusiness management or in such other related areas may be preferable. Likewise, the accountant should have educational qualification of 10+2 with Mathematics as compulsory subject or alternatively with Commerce or Accountancy background.

Under the scheme, FPOs are provided with financial support in terms of FPO management cost @Rs.18.00 Lakh per FPO for a period of 03 years which also includes the financial support

towards the salary of CEO/ Manager and accountant apart from other resources/ facilities to run the FPOs professionally.

To further strengthen the management of FPOs, a Learning Management System (LMS) for 10,000 FPOs has been developed under the scheme. As on date, 736 courses are uploaded and 25,552 users are registered on the LMS portal. Content from various national and state level institutes relevant to the FPOs has been uploaded on the portal. As on date, these modules are available in 08 languages (Hindi, English, Telugu, Oriya, Punjabi, Bengali, Marathi and kannada).

For capacity building, training & skill development of FPOs (CEOs/ Accountants/ Board of Directors/ other stakeholders), The Bankers Institute of Rural Development (BIRD), Lucknow promoted by National Bank for Agriculture and Rural Development (NABARD) and Laxmanrao Imandar National Academy for Co-operative Research & Development (LINAC), Gurugram promoted by National Cooperative Development Corporation (NCDC) are designated as Central Nodal Training Institution for FPOs.

Further, At National level, National Project Management Agency (NPMA) as a professional organization has been engaged for providing overall project guidance, coordination, compilation of information relating to FPOs, maintenance of MIS and monitoring purpose.
