

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE  
**LOK SABHA**  
**STARRED QUESTION NO. 182**  
TO BE ANSWERED ON THE 14<sup>TH</sup> MARCH, 2023

**CONSTITUTION OF FPOs**

\*182. SHRI GANESH SINGH:

Will the Minister of AGRICULTURE AND FARMERSWELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether any scheme regarding constitution of Farmer Producer Committees/ Organisations (FPOs) has been implemented by the Government;
- (b) if so, whether the Government has formulated any plan to link the same with the agricultural departments or agriculture based programmes of the States; and
- (c) if so, the number of FPOs constituted so far in the country including their district-wise numbers in Madhya Pradesh along with the details of workdone by them?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERSWELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (c): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 182 DUE FOR REPLY ON 14<sup>TH</sup> MARCH, 2023.**

(a) to (c): Yes Sir. 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. FPOs are formed based on the area based approach (One Block One FPO) and special commodity based approach which includes formation of organic & natural farming FPOs, Oil seeds FPOs, Bamboo & Agro-forestry based FPOs, beekeepers FPOs etc. 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, 15 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 1<sup>st</sup> March 2023, 10,000 FPOs have been allocated to various Implementing Agencies (IAs) out of which 4748 FPOs have been registered across the country which includes 130 Organic FPOs, 95 Oil seed FPOs, 87 Bee keepers FPOs, 49 Agro-forestry and Bamboo FPOs. 357 women centric FPOs have been registered. Further, 309 Agri. Value Chain Organizations FPOs have been registered to provide market linkages. In the State of Madhya Pradesh, 387 FPOs are registered in the aforesaid scheme (details

as per Annexure-I). Under the scheme, matching equity grant has been released to eligible 1928 FPOs of 31 States/ UTs. Further, under the scheme, Credit Guarantees were issued to 627 FPOs. Bankers Institute for Rural Development (BIRD), Lucknow has developed & launched online modules for professional training programmes for capacity & skill development of FPOs and CBBOs. National Institute of Agricultural Marketing (NIAM) is conducting training of CBBOs. As on 1<sup>st</sup> March, 2023, 1,21,988 farmer shareholders have taken trainings and further representatives of various CBBOs have taken trainings. CBBOs are also providing training to their respective FPOs. Indian Council of Agricultural Research (ICAR) is providing technical support to FPOs through Krishi Vigyan Kendras of the respective districts in the form of capacity development of its members on various aspects of agriculture and allied sectors including production technologies and value addition and processing. 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 agri produce.

Further, Government is also giving priority to FPOs in various schemes viz., Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) and Paramparagat Krishi Vikas Yojana (PKVY) for promotion of organic farming & natural farming through cluster/FPO, Sub-Mission on Agricultural Mechanization (SMAM), Agricultural Marketing Infrastructure (AMI) and Mission for Integrated Development of Horticulture (MIDH) Scheme, Agriculture Infrastructure Fund (AIF) and Rashtriya Krishi Vikas Yojana (RKVY).

Under MOVCDNER, 379 FPO/ FPCs were created covering 189039 farmers and 172966 ha area. 367 collection, aggregation, grading units, Custom Hiring Centres, 74 processing and pack house entities created under FPO/ FPCs and private ownership. Further 124 transportation vehicles provided to FPO/ FPCs. Under Sub-Mission on Agricultural Mechanization (SMAM), Farmers Producer Organizations (FPOs) are

provided grants @ 75% for purchase of drones for its demonstration on the farmers' fields. In order to provide agricultural services through drone application, financial assistance @40% of the basis cost of drone and its attachments or Rs 4 Lakhs, whichever less is also provided for drone purchase by existing and new Custom Hiring Centers (CHCs) under Cooperative Society of farmers, Farmers Producer Organizations (FPOs) and Rural entrepreneurs.

Considering the significance and strategic role of the State Government and its machinery down the line in synergizing the efforts in mobilizing the farmers, offering various services relating to production and post-production and also periodically reviewing the development and functioning of FPOs, the Government has made provisions in Operational Guidelines of the 10,000 Farmer Producer Organizations (FPOs) scheme wherein a State Level Consultative Committee called SLCC is constituted with Additional Chief Secretary/Secretary, In-charge of Agriculture/ Agriculture Marketing as its Chairperson.

The following are the duties and responsibilities of the SLCC:

- i. It will regularly monitor and review the progress of FPO development and functioning by holding its regular meetings.
- ii. It will work out a strategy for all stakeholders including the Implementing Agencies (SFAC, NABARD and NCDC), institutions engaged in formation and promotion of FPOs and State Government machinery engaged in agricultural and rural development to work synergistically to achieve the objective.
- iii. It will identify the constraints in implementation of scheme and communicate to the Department of Agriculture and Farmers Welfare(DA&FW) and National Project Management and Fund Sanctioning Committee (N-PMAFSC) for taking the appropriate policy decision, if so,required.
- iv. It will direct respective State Government departments to help in identification of produce clusters for recommendation to N-PMAFSC and assist in mobilization of farmers to form the FPOs.
- v. It will formulate an effective extension mechanism to be undertaken through existing State extension machinery down the line.
- vi. Most importantly, the committee will coordinate with respective State Government departments to facilitate FPOs in getting the license/registration for inputs, shops/spaces in the mandis and also availing the assistance for development of various infrastructures relating to production and post-

production activities. The committee will also ensure that FPOs be associated/involved in all the farmers' centric schemes of the Government to the extent feasible.

- vii. It will facilitate in making available land at appropriate place for development of common facility center and also custom hiring center. It will also strategize and prioritize for linking of Common Facility Centre (CFC) with e-NAM or with any other e-trading platform.

In addition to above, under 10,000 FPOs scheme, at district level, a **District Level Monitoring Committee (D-MC)** is constituted under the Chairmanship of District Collector/ CEO/ Zilla Parishad with representatives of different line departments and experts which provides approval for potential produce clusters in the block and also responsible for overall coordination, monitoring and implementation of the scheme at the district level.

**Annexure-I****District-wise FPOs registered in Madhya Pradesh**

<b>District</b>	<b>No of FPOs registered</b>
Agar Malwa	3
Alirajpur	4
Anuppur	1
Ashoknagar	10
Balaghat	10
Barwani	17
Betul	9
Bhind	3
Bhopal	5
Burhanpur	2
Chhatarpur	4
Chhindwara	15
Damoh	6
Datia	1
Dewas	14
Dhar	16
Dindori	2
Guna	8
Gwalior	6
Harda	2
Hoshangabad (NARMADAPURAM)	8
Indore	6
Jabalpur	7
Jhabua	6
KATNI	2
Khandwa	13
Khargone	13
Mandla	5
Mandsaur	10
Morena	11
Narsinghpur	9
Neemuch	8
Niwari	1
Panna	3

Raisen	13
Rajgarh	4
Ratlam	13
Rewa	9
Sagar	17
Satna	10
Sehore	16
Seoni	3
Shahdol	3
Shajapur	4
Sheopur	3
Shivpuri	11
Sidhi	1
Singrauli	3
Tikamgarh	4
Ujjain	13
Umaria	1
Vidisha	19
Grand Total	387

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