

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION & FARMERS WELFARE

LOK SABHA
STARRED QUESTION NO. 101
TO BE ANSWERED ON THE 9TH FEBRUARY, 2021

PROMOTION OF FPOs IN BIHAR

*101. DR. SANJAY JAISWAL:

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

- (a) the details of the initiatives of Small Farmers' Agribusiness Consortium for promotion of Farmer Producer Organisations (FPOs) in Bihar and the total number of FPOs in Bihar, district-wise;
- (b) the funds given by Small Farmers' Agribusiness Consortium for setting up of FPOs in Bihar, especially in West Champaran district;
- (c) whether the Government has encouraged more farmers to set up a greater number of FPOs to provide better services to farmers in rural areas;
- (d) if so, the response of the farmers in this regard; and
- (e) the total number of farmers who are availing benefits of various agricultural schemes in Bihar, especially in West Champaran district?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI NARENDRA SINGH TOMAR)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 101 DUE FOR REPLY ON 9TH FEBRUARY, 2021.

(a) & (b): Government of India through Small Farmers' Agribusiness Consortium (SFAC), a registered society under Department of Agriculture, Cooperation & Farmers Welfare, Government of India, is promoting Farmer Producer Organisations (FPOs) by mobilizing the farmers and helping them in registering as companies and providing them with handholding support and training for their sustainability. SFAC has undertaken various FPO promotion programmes in Bihar such as Vegetable Initiative for Urban Cluster (VIUC), Special Project Katihar, National Food for Security Mission (NFSM), Mission for Integrated Development of Horticulture (MIDH), Department of Animal Husbandry, Dairying and Fisheries (DAHDF). 38 FPOs have been promoted by SFAC in Bihar. District wise list of FPOs promoted by SFAC in Bihar is at **Annexure-I**. However, SFAC has not promoted FPO in West Champaran District.

So far, Rs 891.19 lakh have been released by SFAC for promotion of FPOs in Bihar since 2011-12.

(c) & (d): A new Central Sector Scheme (CSS) titled "Formation and Promotion of Farmer Producer Organizations (FPOs)" to form and promote 10,000 new FPOs has been formed by the Government of India during 2020 to encourage more farmers to set up greater number of FPOs to provide better services to farmers.

As per the aforesaid scheme, FPOs are to be developed in produce clusters, wherein agricultural and horticultural produce is grown / cultivated for leveraging economies of scale and improving market access for members. Formation & Promotion of FPOs are to be done through Implementing Agencies (IAs), which will further engage Cluster Based Business Organizations (CBBOs) to form & provide professional handholding support to FPOs for a period of 5 years.

FPOs will be 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. Suitable provisions have been made for training and skill development of FPOs.

Under new Central Sector Scheme (CSS) of "Formation and Promotion of 10,000 Farmers Produce Organization (FPOs)", following Implementing Agencies (IAs) have been finalized for formation and promotion of FPOs viz. Small Farmers Agri-Business Consortium (SFAC), National Cooperative Development Corporation (NCDC), National Bank for Agriculture and Rural Development (NABARD), National Agricultural Cooperative Marketing Federation of India (NAFED), North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC), Tamil Nadu-Small Farmers Agri-Business Consortium (TN-SFAC), Small Farmers Agri-Business Consortium Haryana (SFACH), Watershed Development Department (WDD)- Karnataka & Foundation for Development of Rural Value Chains (FDRVC)- Ministry of Rural Development (MoRD). A total of 2200 FPO produce clusters have been allocated for formation of FPOs. Of these allocated FPO produce clusters, total of 128 FPO produce clusters have been allocated for Bihar which includes specialized FPO produce clusters for Organic, Honey, Oil seeds during 2020-21. Further, NAFED has formed & registered 05 Honey FPOs in Uttar Pradesh, Madhya Pradesh, Rajasthan, Bihar and West Bengal. CBBOs have been empanelled & engaged by SFAC and NAFED. Training & skill development modules have been developed to further strengthen the FPOs.

Evaluation Report of PricewaterhouseCoopers (PwC) on FPOs under world bank aided Maharashtra Agriculture Competitiveness Project (MACP), titled “Impact Study 7- Enhanced realization of agriculture produce marketed through Producer Companies (PCs)/FCSCs under MACP”, brings out the following major findings: (i) sale through Farmer Producers Companies (FPCs) has resulted in increased price realization by members by 22%, (ii) Incidence of cost of marketing is 31% lower than other channels (iii) 28 percent of members have purchased inputs from PCs and it has resulted into net savings of Rs.1384 per acre.

(e): The information provided by Government of Bihar, in reference to total number of beneficiaries in the State under various agriculture schemes is placed at Annexure- II, which includes the details of West Champaran district also.

Annexure-I

District wise list of FPOs promoted by SFAC in Bihar

Sl. No.	Districts	FPOs (In numbers)
1	Patna	5
2	Rohtas	1
3	East Champaran	16
4	Gaya	2
5	Hajipur	1
6	Katihar	2
7	Muzaffarpur	7
8	Nalanda	3
9	Purnia	1
	Grand Total	38

Annexure-II**Farmer Beneficiaries under various Government schemes in Bihar**

Sl. No	Scheme	Total Beneficiary Farmers, Bihar	West Champaran
1.	RKVY (2020-21)	132172	5393
2.	NFSM (2019-20)	327426	833
3.	Agriculture Input Subsidy (Kharif 2020-21)	784232	3258
4.	Agriculture Input Subsidy (Rabi Feb 2019-20)	1856146	1331
5.	Agriculture Input Subsidy (Rabi March 2019-20)	1097931	4708
6.	Agriculture Input Subsidy (Rabi April 2019-20)	559748	31
7.	Agriculture Input Subsidy (Kharif 2020-21)	1532600	Nil
8.	Contingent Crop Plan (Kharif - 2020)	380345	40692
9.	Farm Mechanization (2020-21)	666	Nil
10.	P.M. Kisan Yojana	7774551	290586
11.	Jaivik Corridor (only in 13 districts)	21731	Nil
12.	Seed Distribution in All Schemes (2020-21)	1425123	69843
