

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

LOK SABHA
UNSTARRED QUESTION NO. 1268
TO BE ANSWERED ON THE 9TH FEBRUARY, 2021

SETTING UP OF FPOS

1268. SHRI HANUMAN BENIWAL:

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

- (a) whether the Government has formulated any new policy for setting up of Farmer Producer Organisations (FPOs), if so, the details thereof;
- (b) whether State-wise targets have been fixed for setting up FPOs and if so, the details of target fixed State-wise and progress made thereunder so far;
- (c) the details of the financial and other assistance provided by the Government to the concerned FPO along with the medium through which it is likely to be provided including the amounts released so far, Statewise; and
- (d) whether a person or farmer can become a member or officer of FPO if no land is on his name but his work is related to agriculture, if so, the details of fixed rules etc. in this regard?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (c): Government of India has launched a new Central Sector Scheme (CSS) titled "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)" in 2020. As per the aforesaid scheme, FPOs are to be promoted in produce clusters, wherein agricultural and horticultural produce is grown / cultivated, for leveraging economies of scale and improving market access for members of FPOs.

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. Under the scheme, 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.

Contd.....2/-

Under the aforesaid scheme, there is no State-wise target fixed. However, during 2020-21, a total number of 2200 FPO produce clusters have been allocated for formation of FPOs. Training & skill development modules have been developed to further strengthen the FPOs. The details of allocation of FPO produce clusters is given at Annexure – I. National Agricultural Cooperative Marketing Federation of India (NAFED) has already formed and registered 05 honey FPOs from Uttar Pradesh, Madhya Pradesh, Rajasthan, Bihar and West Bengal.

As per the aforesaid scheme guidelines, Department of Agriculture, Cooperation and Farmers' Welfare, Government of India, makes the advance releases to the Implementing Agencies (IAs) based on the recommendation of National level Project Management Advisory and Fund Sanctioning Committee (N-PMAFSC). So far, Rs. 101.75 crore have been released to the IAs.

(d): Yes Sir. Small, marginal and landless farmers can become a member of the FPO under the new scheme on "Formation and Promotion of 10000 Farmer Producer Organizations (FPOs)". A member of FPO with requisite qualification can also become the officer of FPO. The requisite qualifications for CEO/Manager and Accountant are given in section 10.3 of the Operational Guidelines of the scheme details of which are followed. The CEO/Manager is to be appointed by the executive body of the FPO who should be either graduate in agriculture/ agriculture marketing / agri-business management or BBA or equivalent. Locally available professionals with 10+2 and preferably diploma in agriculture / agriculture marketing / agri-business management or in such other related areas may be preferable. The accountant should have educational qualification of 10+2 with Mathematics as a compulsory subject or alternatively with Commerce or Accountancy background. If any members of the FPO meet the above criteria, they may be considered preferably in the selection process.

Annexure-I

Agency-wise List of allocated FPOs for 2020-21:

Sl. No	Name of the Agency	No. of FPO Producer Clusters allocated
1	National Bank for Agriculture and Rural Development (NABARD)	600
2	Small Farmers Agri-Business Consortium (SFAC)	500
3	National Cooperative Development Corporation (NCDC)	500
4	Integrated Nutrient Management (INM), DAC&FW through NAFED, NABARD, SFAC & NCDC	100 specialized FPOs
5	Oil Seeds Div. , DAC&FW through NAFED, NABARD & SFAC	100 specialized FPOs
6	Foundation for Development of Rural Value Chains (FDRVC)- Ministry of Rural Development (MoRD)	100
7	Watershed Development Department (WDD)- Karnataka	100
8	National Agricultural Cooperative Marketing Federation of India (NAFED)	50 specialized FPOs
9	Small Farmers Agri-Business Consortium Haryana (SFACH),	50
10	Tamil Nadu-Small Farmers Agri-Business Consortium (TN-SFAC),	50
11	North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC)	50
Total		2200
