

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1443**  
TO BE ANSWERED ON THE 7<sup>th</sup> DECEMBER, 2021

**SCHEME FOR FPOs**

1443. DR. PRITAM GOPINATHRAO MUNDE:  
SHRI GIRISH BHALCHANDRA BAPAT:  
SHRI CHANDRA SEKHAR SAHU:  
SHRI RAHUL RAMESH SHEWALE:

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

- (a) whether agriculture plays a very important role in both economic development and nation building;
- (b) if so, the details in this regard;
- (c) whether the Union Government has launched a Central sector scheme titled 'Formation and Promotion of 10,000 Farmer Produce Organizations (FPOs)' in the country;
- (d) if so, the salient features of the said scheme;
- (e) whether the Union Government has set up dedicated fund for providing credit guarantees to FPOs under the scheme; and
- (f) if so, the details thereof along with the details of funds allocated for implementation of said scheme?

**ANSWER**

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI NARENDRA SINGH TOMAR)

(a) to (b): The share of Agriculture and allied sectors at Gross Value Added(GVA) at current prices has increased from 33.94 lakh crores in 2019-20 to 36.16 lakh crores in 2020-21 which is an increase from 18.4% to 20.2% (Source: NSO, MOSPI, May 2021)

As per 3<sup>rd</sup> advance estimates for 2020-21, total food grain production in the country is estimated at record 305.44 million tonnes which is higher by 7.94 million tonnes than the production of food grain during 2019-20. Similarly, total horticulture production in 2020-21 is

estimated to a record 331.05 million tonnes which is an increase of about 10.6 million tonnes over that achieved in 2019-20.

(c) to (d): 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. The scheme has a total budgetary outlay of Rs.6865 Crores.

Under this scheme, there is a provision for handholding support for a period of five years to each new FPO formed, and financial assistance to the tune of Rs.18 lakhs to each FPO under the scheme towards management cost for 3 years and also 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 institutions to ensure institutional credit accessibility to FPOs.

(e) to (f): Yes Sir. In order to ensure access to credit from Banks and Financial Institutions, a dedicated Fund of up to Rs. 1,500.00 crore will be created as Credit Guarantee Fund (CGF). Out of Rs. 1,500.00 crore, Rs. 1,000.00 crore will be created, maintained and managed by National Bank for Agriculture and Rural Development (NABARD) and the rest Rs. 500.00 crore by National Cooperative Development Corporation (NCDC).

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