

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

LOK SABHA
UNSTARRED QUESTION NO. 3150
TO BE ANSWERED ON THE 22nd MARCH, 2022

FUNDING FOR FPOs

3150. MS. MIMI CHAKRABORTY:

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

- (a) whether it is a fact that the budget funding for the promotion of Farmer Producer Organisations (FPOs) was reduced from Rs. 700 crore in 2021-22 to Rs. 500 crore in 2022-23 (budget estimates); and
- (b) if so, whether it will fulfil the demand of rental machinery, and provide technical support to farmers and rural enterprises to improve the agriculture value chain therefor?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री
(SHRI NARENDRA SINGH TOMAR)

(a) & (b): Additional fund requirement are considered at Revised Estimate (RE) stage, based on expenditure progress at that stage and committed liabilities, pending proposals, etc.

The Central Sector Scheme for “Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs)” to form and promote 10,000 new FPOs has a total budgetary outlay of Rs.6865 Crores.

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 05 years including preparation and execution of business plan for the concerned FPOs for ensuring better marketing & market linkages on sustainable basis.

Under the said Central Sector Scheme, Implementing Agencies (IAs) have been allocated a total of 4965 FPO produce clusters, out of which a total of 2315 number of FPOs have been registered in the country.

So far, a total of Rs. 410 Crores has been released to respective Implementing Agencies under the scheme to form & promote FPOs which includes:-

- a) an amount of Rs. 14.05 Crores transferred to 352 FPOs towards matching equity grant, which is required to strengthen financial base of FPOs and help them to get credit from financial institutions for their projects and working capital requirements for business development.

- b) An amount of Rs. 108.82 crores as FPO Management Cost is transferred to concerned Implementing Agencies for onward transferring to the respective FPOs. This will provide financial support to the FPOs to the extent provided to make them sustainable and economically viable.

Further, in order to ensure access of FPOs to credit a dedicated Credit Guarantee Fund(CGF) has created with NABARD.
