

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

LOK SABHA
UNSTARRED QUESTION NO. 4201
TO BE ANSWERED ON THE 19TH AUGUST, 2025

SCHEME TO PROMOTE FPOs

4201. SHRI MAHENDRA SINGH SOLANKY:
SHRI VISHWESHWAR HEGDE KAGERI:
SHRI ARUN GOVIL:

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

- (a) whether the Government has launched any dedicated scheme to promote Farmer Producer Organisations (FPOs), if so, the number of FPOs proposed to be formed across the country under the said scheme;
- (b) whether any financial assistance is being provided to such organisations by the Government, if so, the details of total financial assistance provided to FPOs during the last five years;
- (c) whether the Government is implementing a special scheme for the promotion and support of Farmer Producer Organisations (FPOs) in Dewas-Shajapur, MPs;
- (d) the number of FPOs registered in Dewas-Shajapur under the scheme as of July 2025;
- (e) whether these FPOs have been provided with financial assistance, capacity-building support, market linkages and agri-infrastructure; and
- (f) the major challenges identified in promoting FPOs in the region and steps taken to overcome them?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): The Government is implementing a Central Sector Scheme for “Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs)”. Under this scheme, 10,000 FPOs have been registered across the country.

(b): Under the scheme, FPO management cost of Rs.18 lakh over 3 years, is available to each FPO. FPO can also avail matching equity grant of upto Rs.15 lakh per FPO (as against Rs.2000 contribution per farmer). Additionally, the scheme provides for credit guarantee facility upto Rs.2 crore, from eligible lending institutions. As on June, 2025, Rs.617.2 crore has been released as FPO management cost and Rs.361.5 crore as matching equity grant under the scheme. 3,212 credit guarantees have been issued, covering 2,360 FPOs till 30.06.2025 with sanctioned loan amount of ₹708.26 crore and guarantee cover of ₹593.75 crore.

(c) to (e): The Scheme is also implemented in Dewas–Shajapur region of Madhya Pradesh. As of July, 2025, 30 FPOs have been registered under the scheme in Dewas–Shajapur. FPOs have been provided with financial assistance, capacity-building support, and other necessary facilitation under the scheme. As on July 2025, ₹126.41 lakh have been released as Equity Grant and FPO management cost of ₹ 202.36 lakh have been released in Dewas & Shajapur. In addition to financial support, these FPOs are also being assisted through trainings conducted via Cluster Based Business Organizations (CBBOs). The FPOs have been onboarded by digital platform like e-NAM (Electronic National Agriculture Market), ONDC (Open Network for Digital Commerce) etc. to access digital markets.

(f): FPOs being community-based institutions, face operational, institutional, and financial challenges in their formative business stages. To address these, the scheme provides:

- i. Deployment of CBBOs to provide handholding support for 5 years.
- ii. Provision of up to ₹18 lakh per FPO as management cost, and Equity Grant of ₹2,000 per farmer member up to ₹15 lakh per FPO.
- iii. Credit Guarantee Facility to improve access to institutional credit.
- iv. In coordination with State Governments, facilitating the issuance of input licenses to FPOs, including for seed, fertilizer, pesticide, mandi, etc. to enable them to function as agri-business enterprises.
- v. Dedicated FPO MIS Portal for transparency and accountability.
- vi. Weekly webinars and capacity-building programs to promote market linkages, and awareness of government schemes are conducted.
