

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

LOK SABHA
UNSTARRED QUESTION NO. 253
TO BE ANSWERED ON THE 21ST JULY, 2026

FINANCIAL ASSISTANCE TO FARMER PRODUCER ORGNIZATIONS IN PUNJAB

253. DR. AMAR SINGH:

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

- (a) the number of Farmer Producer Organisations (FPOs) formed and supported in Punjab under the Central Sector Scheme for Formation and Promotion of 10,000 FPOs, district-wise;
- (b) the financial assistance, equity grants, credit guarantees and other support provided to FPOs in Punjab during the last three years, year-wise;
- (c) whether the Government has assessed the functioning and financial viability of FPOs in Punjab and, if so, the details and outcome thereof;
- (d) the challenges reported by FPOs in accessing institutional credit, markets and value addition infrastructure, and the action taken thereon; and
- (e) the steps taken to strengthen FPOs in Punjab to improve farmers' income, market access and participation of small and marginal farmers?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): As on date, 151 Farmer Producer Organisations (FPOs) have been formed in State of Punjab under the Central Sector Scheme for Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs). District-wise details of FPOs formed under the Scheme are at Annexure.

(b): Year-wise details of financial assistance released to FPOs in Punjab during the last three years, including Equity Grant and Credit Guarantee are at Annexure.

In addition, FPOs are provided continuous handholding support through Cluster Based Business Organizations (CBBOs) and Implementing Agencies (IAs) for business planning, market linkages, capacity building and facilitation in availing benefits under various Government schemes.

(c): An evaluation of the Scheme has been carried out by the Department in 2025-26 for all States including Punjab. The mid-term evaluation indicates that the Central Sector Scheme for Formation and Promotion of 10,000 Farmer Producer Organizations has created a substantial institutional base for farmer collectivisation. The assessment of 400 FPOs shows strong progress on formal institutional and compliance-related indicators. Around 93.5% of assessed FPOs covered four or more Gram Panchayats; 92% achieved full license /registration compliance; 89% completed LMS modules with the CEO and accountant trained; and a large majority submitted audited financial statements. These findings indicate that the scheme has made visible progress in creating formal FPO structures, expanding member outreach and strengthening basic institutional readiness.

(d) & (e): FPOs formed under the Scheme including the FPOs in State of Punjab, are provided both financial and other support through various interventions by the Government, to strengthen them, improve farmers' income, enhance market access, facilitate access to institutional credit and promote value addition. These include:

- i. Management Cost up to ₹18 lakh per FPO over a period of three years to meet managerial and operational expenses.
- ii. Matching Equity Grant of up to ₹15 lakh per FPO, to strengthen the equity base of FPOs.
- iii. Credit Guarantee Facility for project loans of up to ₹2 crore per FPO to improve access to institutional credit.
- iv. Continuous handholding support for five years through Cluster Based Business Organizations (CBBOs) for business planning, governance, market linkages and capacity building.
- v. Capacity-building, training and skill development programmes for Chief Executive Officers (CEOs), Board of Directors (BoDs) and members of FPOs.
- vi. Facilitation in obtaining input licences and dealerships. In Punjab, 86 FPOs have seed licences, 80 FPOs fertilizer licences and 69 FPOs having pesticide licenses, enabling them to supply agricultural inputs to their member farmers and augment their revenue.
- vii. Facilitation of market linkages through digital platforms. 22 FPOs from the State of Punjab have been onboarded on National Agriculture Market (e-NAM) and recorded trade worth Rs.2.83 Crore. In addition, 118 FPOs are onboarded on Open Network for Digital Commerce (ONDC). Further, 63 weekly webinars have been conducted to support market access and buyer-seller linkages.
- viii. Seventy-four (74) FPOs have established processing infrastructure in the State of Punjab, thereby promoting value addition, reducing post-harvest losses and enhancing market competitiveness.

Punjab: District-wise details of FPOs formed under the 10,000 FPOs Scheme

Sr. No.	District	No. of FPO
1	Amritsar	8
2	Barnala	3
3	Bathinda	10
4	Faridkot	3
5	Fatehgarh Sahib	5
6	Fazilka	4
7	Ferozepur	5
8	Gurdaspur	8
9	Hoshiarpur	12
10	Jalandhar	11
11	Kapurthala	5
12	Ludhiana	12
13	Malerkotla	3
14	Mansa	5
15	Moga	6
16	Muktsar	4
17	Nawanshahr (Shahid Bhagat Singh Nagar)	5
18	Pathankot	5
19	Patiala	11
20	Rupnagar (Ropar)	7
21	Sahibzada Ajit Singh Nagar (Mohali)	4
22	Sangrur	8
23	Tarn Taran	7
Total		151

Financial assistance and other support provided to FPOs in Punjab under 10,000 FPOs scheme

Sl. No.	Financial Year	FPO Management Cost (₹ in lakh)	Equity Grant (₹ in lakh)	Credit guarantee	
				No. of FPOs	Sanctioned Loan (₹ in Crore)
1	2023–24	414.39	63.77	3	0.15
2	2024–25	210.03	128.35	5	0.70
3	2025–26	213.63	329.84	7	1.09
Total		838.05	521.96	15	1.94
