



FPO Capacity Building Toolkit (Module 8)

COMPILATION OF SCHEMES & POLICY
INITIATIVES FOR SUPPORTING

FARMER PRODUCER
ORGANISATIONS
(FPOs)

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ABOUT THE MODULE

National Bank for Agriculture and Rural Development (NABARD), Bankers Institute of Rural Development (BIRD) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has come up with a 'Farmer Producer Organisation (FPO) Capacity Building Toolkit'. The toolkit contains the following modules.

1. FPO orientation material
2. FPO capacity assessment tool
3. ToT manual for Board of Directors (BOD)
4. FPO Massive Open Online Course (MOOC)
5. Guidebook on FPO business planning
6. Guidebook on FPO legal compliances
7. Business models for FPOs
8. Schemes and policy initiatives for supporting FPO
9. Guidebook on commodity derivative market for FPOs
10. Guidebook on input business planning for FPOs
11. Guidebook on FPO financing for bankers

MODULE 8 'Schemes and policy initiatives for supporting FPOs' presents a compilation of schemes, policies, state-specific provisions, financial support available for FPOs which can help farmers, practitioners, bankers and other stakeholders to further strengthen the FPO movement in India.

The module covers schemes of apex bank like NABARD and its subsidiary NABKISAN, schemes under Small Farmers' Agribusiness Consortium (SFAC) and centrally sponsored schemes. It also has a compilation of national and state sponsored support and policies related to promotion and nurturing of FPOs.

This module will help stakeholders to scan through the different schemes and policies and provide a snapshot of the existing support mechanism for FPOs in India. The module has tried to cover all the necessary aspects of each scheme/policies like objective, eligibility criteria, support in terms of finances and capacity building, application process, nodal agency etc. However, readers may also refer to the policy document of respective agencies for complete details and any changes made over a period.



CONTENTS

I	Introduction	1
II	FPO Policy Landscape	2
III	Stages of the FPOs viz requirement of funds	4
IV	Different sources of Finance for FPOs	5
V	Schemes & Policy Initiatives	7
Section A	NABARD and NABKISAN schemes	9
A1	Producers Organization Development Funds (PODF)	10
A2	NABKISAN Finance Limited	13
Section B	Schemes under Small Farmers Agribusiness Consortium (SFAC)	17
B1	Venture Capital Assistance Scheme	18
B2	Equity Grant and Credit Guarantee Fund Scheme	20
Section C	Centrally Sponsored Scheme	25
C1	Rastriya Krishi Vikas Yojana- RAFTAAR	26
C2	Re-vamped National Food Security Mission (NSFM)	28
C3	eNAM – National Agriculture Market Scheme	31
C4	Operation Greens	32
Section D	National and State policies for the promotion of FPO	35
D1	National Policy for Promotion of Farmer Producer Organisations	36
D2	Odisha	38
D3	Karnataka	40
D4	Tamil Nadu	42
D5	Punjab	43
D6	Kerala	45
D7	Andhra Pradesh	46
D8	Madhya Pradesh	48
D9	Maharashtra	50
	References	52

ABBREVIATIONS

ADB	Asian Development Bank
CGF	Credit Guarantee Fund
CGS	Credit Guarantee Scheme
DAC	Department of Agriculture and Cooperation
DPIP	District Poverty Initiative Program
DPR	Detailed Project Report
EGCGFS	Equity Grant and Credit Guarantee Fund Scheme
EGF	Equity Grant Fund
ELI	Eligible Lending Institutions
FPO	Farmer Producer Organisation
FSPF	Farm Sector Promotion Fund
FWWB	Friends of Women's World Banking
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GoI	Government of India
I&CSC	Investment and Claims Settlement Committee
INR	Indian National Rupee
KfW	Kreditanstalt für Wiederaufbau
LWE	Left Wing Extremism
MIS	Management Information System
MSC	Multi Service Cooperatives
MSP	Minimum Selling Price
NABARD	National Bank for Agriculture and Rural Development
NABFINS	NABARD Financial Services Limited
NAM	National Agriculture Market
NCDC	National Cooperative Development Corporation
NEDFi	North Eastern Development Finance Corporation Ltd
NER	North Eastern Region
NFSM	National Food Security Mission
NKFL	NABKISAN Finance Limited
NVIUC	National Vegetable Initiative for Urban Clusters
NVIUC	National Vegetable Initiative for Urban Clusters
PACS	Primary Agricultural Credit Society
PC	Producer Company
PO	Producer Organisation
PODF	Producer Organisation Development Fund
POPI	Producer Organisation Promoting Institutions
PSL	Priority Sector Lending
RKVY	Rashtriya Krishi Vikas Yojana
RRB	Regional Rural Bank
RSA	Resource Support Agency
SFAC	Small Farmers Agribusiness Consortium
TNA	Training Need Assessment
UPNRM	Umbrella Programme for Natural Resource Management
VCA	Venture Capital Assistance
VIUC	Vegetable Initiative for Urban Clusters
WB	World Bank
WC	Working Capital

INTRODUCTION

In the context of Indian agriculture, a large majority of farmers are dependent on monsoon to raise their crops. Being small farms, they have a natural disadvantage to achieve scale to justify the high investment. Limited investment capacity of these small farms is also an area of great concern. Access to critical inputs such as quality seeds, fertilisers, irrigation water, power and credit has created a hugely disabling ecosystem for the small farms. Most farms do not have access to the consumer market and therefore are forced to sell their produce to the numerous intermediaries operating in the market. This reduces their profit margin, making the farming business, in most cases, a non-viable one.

Considering the legal environment and political sensitivity of the agricultural sector there is a gradual recognition that one of the ways to overcome the challenges as described above could be to collectivise the farmers into Producer Organisations (POs), be it producer companies, cooperatives or any other form.

Over the years, there has been a growing interest in promoting an enabling environment for the FPOs. Several initiatives have been taken by the Government, Apex financial institutions such as National Bank for Agriculture and Rural Development (NABARD), Small Farmers Agribusiness Consortium (SFAC), private donor organisations, donors, bilaterals/multilaterals, foundations and many other institutions have come forward to support the growth of the FPOs and facilitate their emergence as successful business enterprises.

Promotion and strengthening of FPOs have been one of the key strategies of Government of India to achieve inclusive agriculture growth. Given this rapid growth in the number of FPOs, the issue of access to credit, linking the FPOs to reliable and affordable sources of financing to meet their working capital, infrastructure development and other needs has assumed center stage. Successive Union Budgets have greatly emphasised on the need to promote and sustain FPOs to overcome the challenges faced by small farmers in India.

As the FPOs strive to achieve sustainability, there is an urgent need to reorient the small and marginal farmers across India in terms of National and State policies with regard to FPOs through various schemes, government initiatives, provisions under the schemes, financial needs based on their stages of the lifecycle, modes of finance, subventions etc.

This module presents a compilation of schemes, policies, state-specific provisions, financial support available for FPOs which can help farmers, practitioners, bankers and other stakeholders to further strengthen the FPO movement in India.

FPO POLICY LANDSCAPE

During the last couple of years, there has been a growing interest to promote FPOs. Several initiatives have been taken by the Government of India (GoI), apex financial institutions such as NABARD, SFAC, bilateral and multilateral agencies, private organisations, financial institutions and others to support the growth of the FPOs and facilitate their emergence as successful business enterprises.

NABARD has been financing FPOs since 2011 under the Producer Organisation Development Fund (PODF). Prior to the setting up of PODF, NABARD was funding producer collectives under the Umbrella Programme for Natural Resource Management (UPNRM), bilaterally supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and KfW. World Bank and Asian Development Bank (ADB) is also supporting different state governments to promote FPOs. The other agencies in this space are Rabobank Foundation, Sir Ratan Tata Trust, and many others.

SFAC has been mandated by the Government to support the formation of FPOs. SFAC's initiative was started in 2011-12 under two Central Government Schemes (CGS):

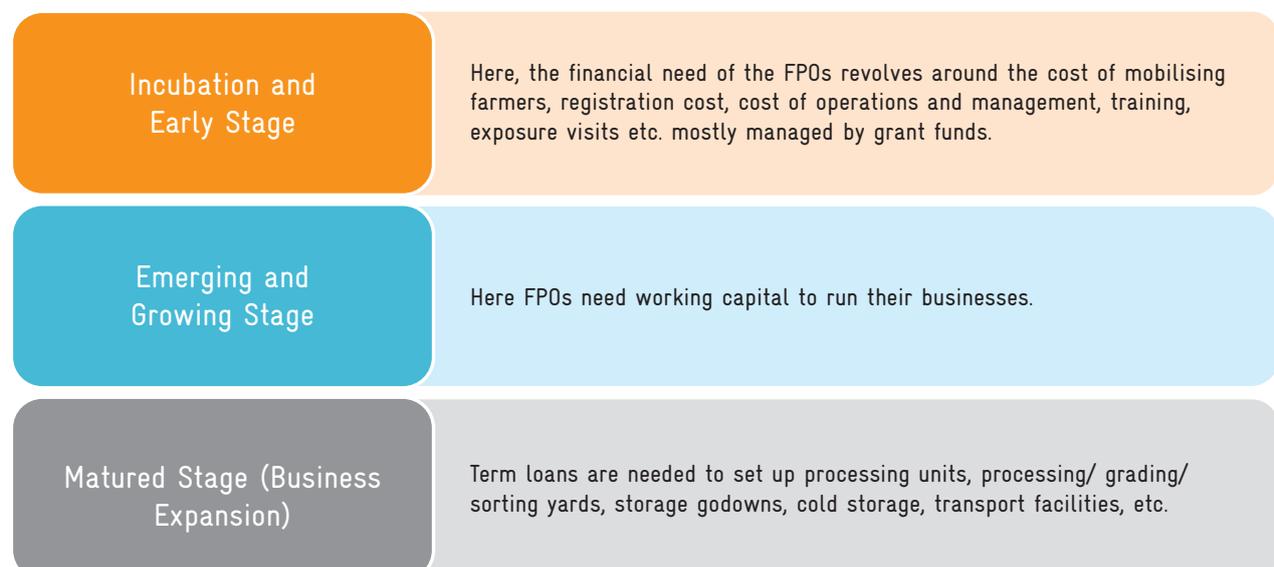
- the National Vegetable Initiative for Urban Clusters (NVIUC) and
- the Integrated Development of 600,000 pulses villages in rainfed areas

These two schemes have since expanded its scope and include special FPO projects being taken up by some State Governments under the Rashtriya Krishi Vikas Yojana (RKVY) funds and the National Demonstration Projects under the National Food Security Mission (NFSM). It has initiated other schemes like Equity Grant and Credit Guarantee Fund Scheme and Venture Capital Assistance Scheme.

Under the mandate of GoI, promotion and strengthening of FPOs has been one of the key strategies to achieve inclusive agricultural growth. With large scale promotion of FPOs, the GoI has initiated the following policies to create an enabling ecosystem to strengthen the FPOs.

- The Government has issued the National Policy and Process Guidelines for FPOs in March 2013, laying the framework for mobilisation of FPOs with a dedicated source of funding from the RKVY programmes.
- The Union Budget, 2014- 15 proposed to supplement NABARD's PODF with a sum of INR 200 crore which will be utilised for building 2,000 FPOs across the country.
- NABARD launched its INR 2,000 crore Food Processing Fund in November 2014 where FPOs will be one of the key recipients.
- SFAC launched the Equity Grant and Credit Guarantee Fund Scheme (EGCGFS) for FPOs enabling the FPOs to access a grant up to INR 15.00 lakh to double members' equity and seek collateral-free loan up to INR 1.00 crore from banks, which in turn can seek 85 per cent cover from the Credit Guarantee Fund (CGF).
- SFAC has been designated as a central procurement agency to undertake price support operations under the Minimum Support Price (MSP) programmes for pulses and oilseeds and it will operate only through FPOs at the farm gate.
- All major centrally sponsored schemes of the Department of Agriculture and Cooperation (DAC) have incorporated special provisions for promotion and development of FPOs during the 12th Plan.
- Many state governments have come up with their own schemes and policies to support formation and nurturing of FPOs in their state.
- Many donor organisations are focusing on the formation and strengthening of Producer Company (PC) as a key element of their development strategies.
- Under Union Budget 2019, the government plans to form 10,000 FPOs in the next 5 years.

STAGES OF THE FPOs VIZ REQUIREMENT OF FUNDS



DIFFERENT SOURCES OF FINANCE FOR FPOs

Finance for FPOs can be arranged from the following sources.

- a. **Own resources:** The reserve and surpluses of previous years are the source for personal financing. However, in case of a new PC this opportunity will not be there.
- b. **Suppliers' credit and advance payment from buyers:** Suppliers' credit can be obtained from credit companies or from potential buyers and sellers. The producers who sell their products to the PO can also sell on credit. PO can get partial payment in advance from the prospective buyers. It can get agriculture inputs from the agro dealers on the conditions of payment after sales. But mostly this type of finance is not available for start-up businesses or a new venture.
- c. **Grant support:** The PC being a small holders' organisation may seek capital support and other assistance from the Government under certain government schemes. Two major initiatives to support FPOs are:
 - i. support to the equity base of FPOs by providing matching equity grants.
 - ii. setting up of a CGF to provide cover to banks which advances loan to FPOs without collateral has been announced by GoI. The Schemes are implemented by SFAC.

NABARD also provides grant support under PODF to FPOs details of which are described under its schemes. Funding are also available from the Department of Rural Development and Panchayats, Ministries of Agriculture and Cooperation or Horticulture or Food Processing, GoI and or state Governments under various schemes like National Horticulture Mission (NHM) and State Horticulture Mission (SHM), SFAC. World Bank, bilateral/multilateral donor agencies and corporates under Corporate Social Responsibility (CSR) may be other possible source of funds/grants from POs. The POs will have to develop a financially viable business plans for the purpose.

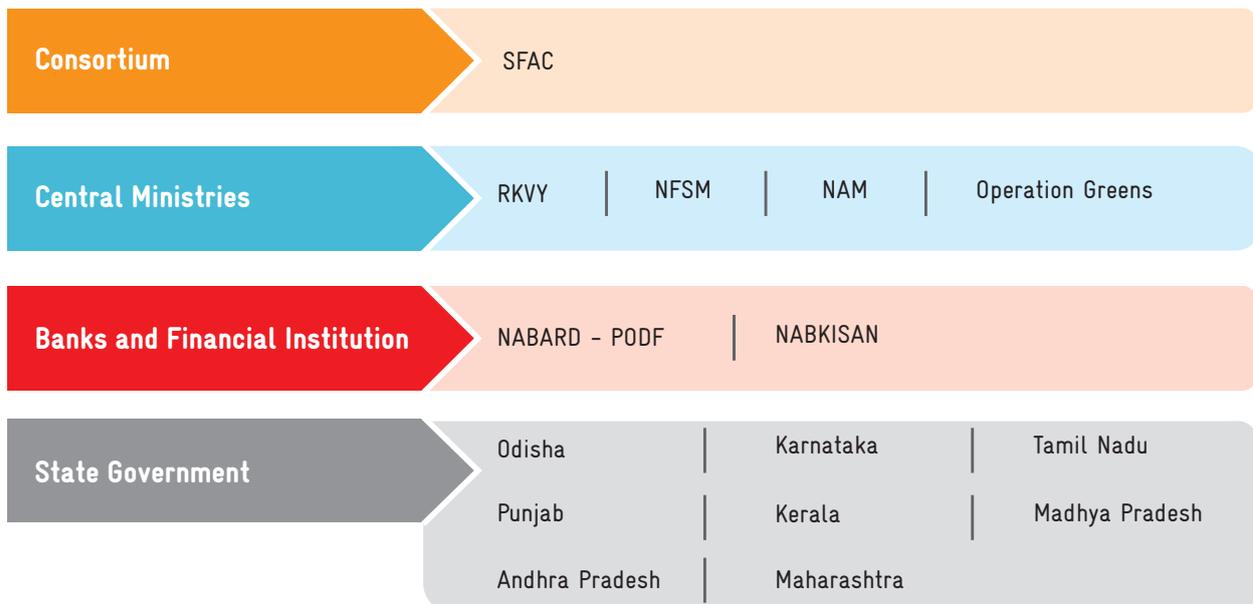
- d. **Debt financing:** This is the most preferred way of financing a new business. Here, it is a direct obligation to pay the interest on the money lent by the financier. The biggest advantage is that the financier does not have control over the business as opposed to equity financing. The rate of interest charged is an important point to be noted here. However, it is not easy to raise debt financing for a producers' company without collateral and margin.

- e. **Equity financing:** Given the limited investment capacity of the small and marginal farmers, limited contributions are made by the individual farmers to raise the FPOs' equity which often cannot sustain the operations of the FPOs. In order to augment the equity base of the FPOs, the Union Budget, 2013-14 announced major initiatives by providing matching equity grants and INR 50 crore was sanctioned and implemented since 2013-14 onwards. The scheme is known as the Equity Grant Fund (EGF) and is managed by the SFAC. The EGF enables eligible FPCs to receive a grant, equivalent in amount to the equity contribution of their shareholder members in the FPC. Thus, enhancing the overall capital base of the FPC. The scheme supports the nascent and emerging FPCs, which have paid up capital not exceeding INR 30 lakh as on the date of application.
- f. **Working Capital:** To meet the credit requirement of the FPOs, there are very few players who are active in this space. This poses a critical challenge for the FPOs. As the FPO progresses from being a start-up entity to a more mature organisation, they build themselves as trade-ready and have a track record to attract finance from formal financial institutions and commercial banks. Financial Institutions like NABARD Financial Services Limited (NABFINS), Friends of Women's World Banking (FWWB), Ananya Finance etc. provide support to the FPOs. Some commercial banks who offer similar financial assistance to FPOs are ICICI Bank, SBI, UCO bank, Union Bank of India, Canara Bank, Vijaya Bank, Ratnakar Bank etc.
- g. **Term Loan:** The Reserve Bank of India (RBI), included financing to FPOs up to INR 2 crore under Direct Agriculture Finance under the Priority Sector Lending (PSL) and loans amounting to INR 5 crore to FPCs were considered to be included under Indirect Agriculture Finance. The CGF's (set up as per the 2013-14 Union Budget) provides Credit Guarantee Cover to eligible lending institutions to enable them to provide collateral-free credit to FPCs by minimising their lending risks in respect of loans not exceeding INR 1 crore.

To promote agro-processing, NABARD has set up a fund of INR 2000 crore to make credit available to designated food parks. Among other entities, the FPOs are also entitled to avail loans from this fund for establishing designated food parks and setting up of individual food/agro processing units in the designated food park.

The FPOs can also avail warehouse receipt finance. As part of the revised PSL guidelines, loans to farmers up to INR 50 lakh against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months is included as direct lending under the PSL. However, not many FPOs are able to benefit from the scheme due to varied reasons.

SCHEMES & POLICY INITIATIVES





SECTION A

NABARD AND NABKISAN SPONSORED SCHEMES

NABARD set up its own corpus of funds through PODF in 2011 with an initial sum of INR 50 crore. The fund supports formation and financing POs by adopting a flexible approach to meet the needs of producers. Any registered PO viz PC (as defined under Sec 581 A in part IXA of Company's Act 1956), Producers Cooperatives, registered Farmer Federations, MACS (Mutually Aided Cooperative Society), industrial cooperative societies, other registered federations, PACS, etc. set up by producers are eligible under the fund.

Considering the success of financing to POs/PACS in terms of improved access to inputs, affordable credit, better price realisation by members by building scale and enhanced skill development of farmers, NABARD created its own subsidiary NABKISAN Finance Ltd. for meeting the credit requirements of FPOs by adopting a flexible approach based on life cycle needs, while it continues to provide promotional support towards capacity building, market linkages and other incubation services. The scope of this fund has been further enhanced during 2017- 18 to provide need-based grant assistance to those FPOs also which are financed by the Commercial Banks, Cooperative Banks and Regional Rural Banks.

A1. Producers Organisation Development Fund (PODF)- Revised Guidelines 2018

OBJECTIVE OF THE FUND	PODF is used to support POs across three levers, viz. credit and grant support, capacity building & market linkage. The objective of the fund is to meet end to end requirements of POs as well as to ensure their sustainability & economic viability.
ELIGIBLE INSTITUTIONS FOR GRANT ASSISTANCE	<ol style="list-style-type: none"> 1. PCs/POs, PACS/Primary Cooperative Agriculture and Rural Development Banks (PCARDB) as MSC, promoting/facilitating/on-lending agencies, agribusiness incubators and other professional organisations providing capacity building/handholding support to POs/PACS/PCARDBs. 2. Subsidiaries of NABARD for supporting specific training/capacity building measures of POs (which are covered under on-lending) organised through a professional/reputed agency. 3. Any other institution/organisation, as approved by NABARD, whose objectives/activities are in conformity with the overall objectives of PODF.
ELIGIBLE LENDING INSTITUTIONS	For the purpose of extending credit support to POs, PACS/PCARDBs as MSC, the eligible lending institutions are Commercial banks, Regional Rural Banks, Cooperative Banks, small finance bank, subsidiaries of NABARD and such other institutions as approved by NABARD.
ELIGIBLE ACTIVITIES LINKED TO LOAN	<p>The following broad activities will be eligible for credit linked grant support to existing POs and PACS/PCARDBs as MSCs:</p> <ol style="list-style-type: none"> 1. POs 2. Training/capacity building <p>Various types of capacity building initiatives that could be supported are:</p> <ol style="list-style-type: none"> i. Skill development ii. Business planning iii. Technological extension iv. Exposure visits tie up with agricultural university, expert meetings v. Tie-up with agribusiness incubators/professional agencies vi. Any other capacity building initiatives <p>Market Linkage</p> <ol style="list-style-type: none"> i. Setting up of marketing infrastructure facilities ii. Setting up of retail unit on the line of rural haat and rural mart iii. Facilitating marketing tie-ups between buyers of produce and POs iv. Forging partnerships between POs and local or large companies/retail chains, etc. towards suitable market linkages v. Promoting convergence with schemes of various Ministries, Govt. Departments, Missions, etc., for creation of necessary infrastructure facilities, wherever possible <p>Other purposes (for details please refer the following guidelines)</p> <ol style="list-style-type: none"> i. Detailed Project Planning (DPR) preparation ii. Administrative cost: may be given a maximum of 5 per cent of the loan amount within the overall cap of 20 per cent, as grant towards administrative costs. iii. Incentive for the promoting agency: Need-based incentive can be given to the promoting agency as per guidelines <p>Grant Support to PACS/PCARDBs as MSC:</p> <p>Eligible Activities</p> <ol style="list-style-type: none"> i. Knowledge dissemination center – cost of one PC (need based) ii. Initial administrative cost to start new business activities iii. Activity specific training to farmers, if required. In case the loan is sanctioned to StCB/CCB, the concerned bank can factor service charges up to 2 per cent from the grant component within overall limit (10 per cent of the loan amount) of the grant.

	<p>iv. Other need-based trainings to the farmers for adopting best management practices, technology transfer, crop diversification, etc. may be supported from the existing funds like Farm Sector Promotion Fund (FSPF) or under other developmental/promotional programs</p>
<p>QUANTUM OF GRANT SUPPORT TO EXISTING POs AND PACS/PCARDBs AS MSC/SUPPORT FOR PROMOTION OF NEW FPOs/BDA</p>	<p>i. The need-based grant support up to a maximum of 20 per cent of loan amount in the case of existing POs is linked to the availability of loan from the lending institutions</p> <p>ii. Need based grant support not exceeding 10 per cent of the loan amount subject to the maximum of INR 25.00 lakh per PACS/PCARDB will be available to Primary Agricultural Credit Society (PACL)/Primary Cooperative Agriculture and Rural Development Banks (PCARDBS), which are covered under refinance facility from NABARD/financed by subsidiaries of NABARD. The grant amount will not be utilised towards the capital cost of the project</p> <p>iii. Grant support to the extent of INR 21.60 lakh per FPOs over a period of 5 years for promotion of new FPOs including INR 5 lakh for Business Development Assistance</p>
<p>FINANCIAL SUPPORT NOT LINKED TO SANCTION OF LOAN TO PROMOTING INSTITUTIONS/ PROFESSIONAL ORGANISATIONS/ TRAINING ESTABLISHMENT FOR BUILDING SUSTAINABLE POs</p>	<p>Grant support for specific activities not involving loan component, such as special studies, stakeholders' meeting/conference, round table, building the specialised capacities of existing POs, ICT interventions for improving marketing/operational efficiency and such other critical interventions necessary for building sustainable POs.</p> <p>Credit Guarantee Facility: Contribution towards creation of risk fund/credit guarantee fund by NABARD for facilitating collateral free lending to POs by the subsidiaries of NABARD/financing banks. For this, separate guidelines have been framed by NABARD.</p> <p>Any other promotional/developmental activity which is felt necessary for enabling a PO function in a better and profitable manner subject to specific approval of Deputy Managing Director (DMD)/Chairman.</p>
<p>GRANT SUPPORT UNDER PODF-ID A/C HEAD</p>	<p>Apart from supporting existing POs towards accompanying measures for training, capacity building, market linkage facilitation and other eligible promotional interventions, the PODF grant will also be utilised for supporting promotion and nurturing of new FPOs and facilitating them for credit linkage and business development to achieve sustainability.</p>
<p>ROLE OF RESOURCE SUPPORT AGENCY</p>	<ul style="list-style-type: none"> • Organising capacity building programmes for the Producer Organisation Promoting Institutions (POPIs) • Providing necessary handholding support to POPIs for undertaking the promotion of quality POs in the state/region • Achieving desired growth rate in membership mobilisation of 300 by the end of 3rd year and 500 by the end of 5th year in the North East and hilly States as well as Left Wing Extremist (LWE) Districts; while • 500 by the end of 3rd year and 1000 by end of 5th year in other areas • Ensuring credit and market linkages of POs • Review of timely account keeping, audit, legal compliance of POs, etc. promoted by the concerned POPIs • Facilitating resolution of operational issues of POs • Facilitating convergence of various Schemes of Government and/or Corporate, etc. for improved ecosystem services
<p>ROLE OF PRODUCER ORGANISATION PROMOTING INSTITUTIONS (POPIs)</p>	<ul style="list-style-type: none"> • The POPI will identify potential pockets/cluster from Watershed Development Projects, Wadi Projects, existing farmers' clubs, Farmers' Cooperatives, Self Help Groups (SHGs), Joint Liability Groups (JLGs), Farmer Interest Groups (FIGs), specific commodity growing areas, etc. and conduct of baseline survey • The POPI will focus on awareness creation among the farmers and motivate them to form POs • To ensure regular monthly meetings of shareholder members

- After formation of the PO, POPI will start the process of registration under the Companies Act or Cooperative Societies Act by obtaining necessary documents for registration.
- Preparation of business development plan for the PO
- POPI will undertake Training Need Assessment (TNAs) of the producers and also assess infrastructure requirements, market interventions and other support facilities necessary for the success of PO
- Organising capacity building programs for Chief Executive Officers (CEOs) and board members as per modules developed by the BIRD
- Facilitation in credit and market linkage
- Overall POPIs will have to develop governance & management structure, business plan, nurture the PO and provide handholding support towards maturity for a period of 3 to 5 years

IDENTIFICATION OF POPIs

The NABARD RO will identify POPIs in consultation with Resource Support Agencies (RSAs) in the state based on the following minimum eligibility criteria:

- Registered under the relevant acts as legal entities
- Minimum 3 years audited balance sheets/profit and loss (P&L) accounts
- Good track record/relevant experience in the field of implementing NABARD programs
- It has requisite dedicated and professionally competent staff and adequate infrastructure facilities for carrying out the developmental works
- It has not been black listed by any funding agency/banks/government/other agency
- It has no negative net worth and no default to any financial institution
- It has adequate expertise in organising technical help to POs/farmers
- It has demonstrated facilitation of business or large-scale livelihood activities with market linkage
- Qualify the rating criteria and exposure norms circulated by RMD, HO and Farm Sector Development Department (FSDD), HO respectively

ACTIVITIES ARE ELIGIBLE FOR SUPPORT

The need-based grant assistance for promotion, nurturing and handholding of new POs will be considered for sanction.

Mobilisation of farmers:

To cover the initial expenses on such awareness/mobilisation activities, a maximum grant support of INR 30,000/- per PO will be provided.

Establishment and registration:

INR 40,000/- per PO. Minimum shareholder members should be 100 at the time of registration. The shareholder membership will have to be increased to 500 at the end of 3rd year and 1000 by the end of 5th year. However, for POs formed in the NE and hilly states and LWE districts, the shareholder membership will be 100 at the time of registration and it will have to be further increased to 300 at the end of 3rd year and 500 by the end of 5th year.

Training to Board of Directors (BOD):

A grant assistance of INR 2500/- per person per day for a maximum of 3 days duration will be provided to POPI for organising training in a group mode with the help of designated RSA/BIRD or any other reputed agency in consultation with RO of NABARD.

Administrative Expenses of PO:

A grant support to partially cover monthly remuneration during the initial three years period will be provided on a tapering basis, which can be extended for another two years period, based on the performance review/need.

Preparation of Business Plan:

A grant assistance of INR 0.20 lakh per PO, will be provided to cover expenses towards preparation of the business plan.

Training to Chief Executive Officer of POs:

A maximum grant support of INR 2500/- per person per day for 5 day duration will be provided for organising such training.

Support to POPIs for handholding/nurturing of POs :

Performance based grant support will be provided to POPIs for the same with an annual cap of INR 1.0 lakh per PO.

Business Development Assistance:

Initially, POs generally undertake bulk purchase and distribution of agri inputs like seeds, fertilisers, pesticides, etc., to members followed by farm advisory services to members, produce aggregation, value addition/processing and marketing.

A2. NABKISAN's support to FPOs

NABKISAN Finance Limited (NKFL) formerly known as Agri Development Finance Limited (Tamil Nadu) was incorporated under the Companies Act, 1956 on 14.02.1997. NKFL is a subsidiary of NABARD with equity participation from NABARD, Govt. of Tamil Nadu, Indian Bank, Indian Overseas Bank, Tamil Nadu Mercantile Bank, Canara Bank, ICICI Bank, Federal Bank, Lakshmi Vilas Bank and a few corporates/individuals. The company is notified as a Non-Banking Financial Company (NBFC) by the RBI. The main objective of the company is to provide credit for promotion, expansion and commercialisation of enterprises engaged in agriculture, allied and rural non-farm activities. NKFL is providing support for livelihood/income generating activities by extending credit to panchayat level federations, trusts, societies and section 25 companies/MFIs for on-lending to its member SHGs/JLGs. The present focus of the company is to support PO for term loan and working capital requirements. The NABKISAN Finance Limited presently operates in 16 states, viz., Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and Uttarakhand.

OBJECTIVE	The main objective of the company is to provide credit for promotion, expansion and commercialisation of enterprises engaged in agriculture, allied and rural non-farm activities. NKFL is providing support for livelihood/income generating activities by extending credit to panchayat level federations, trusts, societies and section 25 companies/MFIs for on-lending to its member SHGs/JLGs.		
ELIGIBLE INSTITUTIONS	Loans to POs/FPOs that are eligible for assistance from SFAC towards equity/credit guarantee cover.	Loans to FPOs and other POs that are not eligible for assistance from SFAC towards equity/credit guarantee cover and offering collaterals.	Loans to Promoting Institutions for on lending to POs.
TYPE OF LOAN	<ul style="list-style-type: none"> • Term Loan • Working Capital • Both 	<ul style="list-style-type: none"> • Term loan • Working Capital • Both 	<ul style="list-style-type: none"> • Term loan • Working Capital • Both

PURPOSE	<ul style="list-style-type: none"> Working capital, term loan for creation of infrastructure for storage, processing, marketing etc. Bulk loan for on-lending, loan against warehouse receipts. 	<ul style="list-style-type: none"> Working capital, term loan for creation of infrastructure for storage, processing, marketing etc. Bulk loan for on-lending, loan against warehouse receipts. 	<ul style="list-style-type: none"> For on lending to FPOs/POs for working capital, pledge loans and term loans.
ELIGIBLE INSTITUTIONS	FPOs existing for 1-2 years with at least one audited balance sheet for a financial year	<ul style="list-style-type: none"> FPOs/POs under any legal form and existing for 2-3 years with at least two audited balance sheets 	<ul style="list-style-type: none"> Promoting Institutions, Resource Institutions with good track record and experience
MINIMUM SHARE CAPITAL	INR 3 lakh (minimum) for working capital loans and INR 5 (minimum) lakh for term loans	INR 3 lakh (minimum) for working capital loans and INR 5 (minimum) lakh for term loans.	
MARGIN	Minimum 15 per cent for Working Capital and Term Loan	Minimum 15 per cent for Working Capital and Term Loan	15 per cent of the Project Cost
SECURITY	Hypothecation of assets created out of loan.	Hypothecation of assets created out of loan and also collateral to an extent of 50-100 per cent of loan amount.	Hypothecation of assets created out of loan and also collateral to an extent of 50-100 per cent of loan amount.
RATE OF INTEREST	Based on NABARD's refinance rate	Based on NABARD's refinance rate	Based on NABARD's refinance rate
REPAYMENT	12 months for WC and 3-5 years for term loans	12 months for WC and 3-5 years for term loans	12 months for WC and 3-5 years for term loans
LOAN AMOUNT	Up to 6 times of the net worth of the FPO or INR 1 crore whichever is lower	Up to 6 times of the net worth of the FPO or INR 1 crore whichever is lower	Depending on the project cost and merit of the proposal
PROCESSING FEE	0.5 per cent of loan amount.	0.5 per cent of loan amount.	0.5 per cent of loan amount
INSURANCE	Assets acquired out of the loan will be insured	Assets acquired out of the loan will be insured	Assets acquired out of the loan will be insured
WEBSITE	https://www.nabkisan.org/products.php		

Besides the POs which are established and have required infrastructure and other forms of support to be able to provide adequate collateral, there are organisations which are emerging and in nascent stage but with promising prospects but may not be able to provide any collateral. To encourage such organisations and to demonstrate to various stakeholders about their viability with required support, lending to such organisations is considered essential. Proposals of such organisations depending purely on the merits and prospects of the proposal will also be supported up to loan amount of INR 50 lakh. Such organisations may comply with following minimum norms:

- PO/FPOs generating surplus through operations.
- PO/FPOs having professional management team.
- Active involvement of members.
- PO/FPOs promoted by promoting institutes of high repute.
- PO/FPOs with sound business plan based on market linkages.



SECTION B

SCHEMES UNDER SMALL FARMERS' AGRI-BUSINESS CONSORTIUM (SFAC)

Department of Agriculture and Cooperation and Farmers Welfare (DAC&FW), Government of India launched a pilot programme for promoting member-based FPOs during 2011- 12, in partnership with state governments, which was implemented through the SFAC.

SFAC is supporting FPOs through empanelled Resource Institutions (RIs), which provide various inputs of training and capacity building and linking these bodies to input suppliers, technology providers and market players. SFAC is also monitoring the project on behalf of DAC&FW and the states and reporting on its progress.

1. SFAC is an exclusive society focused on increasing incomes of small and marginal farmers through aggregation and development of agribusiness.
2. SFAC has pioneered the formation and growth of FPOs/FPCs, which is now being implemented across the length and breadth of the country. SFAC is progressing towards establishing an ecosystem for FPOs/FPCs to make them sustainable and viable in the long run.
3. SFAC offers schemes like Equity Grant and Credit Guarantee Fund Scheme to FPCs to improve availability of working capital and development of business activities.
4. SFAC promotes development of small agribusiness through its VCA Scheme for value added processing and marketing linkages.

SFAC is also implementing the National Agriculture Market Electronic Trading (eNam) platform. The purpose is to provide for a single unified market for agricultural products with much higher price discovery for farmer.

B1. Venture Capital Assistance Scheme

IMPLEMENTED BY	Small Farmers' Agri-Business Consortium
OBJECTIVE OF THE SCHEME	<ol style="list-style-type: none"> 1. To facilitate setting up of agribusiness ventures in close association with all notified financial institutions notified by the RBI where the ownership of the Central/State Government is more than 50 per cent such as nationalised banks, State Bank of India (SBI) & its subsidiaries, Industrial Development Bank of India (IDBI), Small Industries Development Bank of India (SIDBI), NABARD, National Cooperative Development Corporation (NCDC), North Eastern Development Finance Corporation Limited (NEDFi), Exim Bank, RRBs & State Financial Corporations. 2. To catalyse private investment in setting up of agribusiness projects and thereby providing assured market to producers for increasing rural income & employment. 3. To strengthen backward linkages of agribusiness projects with producers. 4. To assist farmers, producer groups, and agriculture graduates to enhance their participation in value chain through Project Development Facility. 5. To arrange training and visits, etc. of agripreneurs in setting up identified agribusiness projects.
SCOPE AND COVERAGE	<p>Assistance under the scheme will be available to individuals; farmers; producer groups; partnership/proprietary firms; SHGs; Companies; agripreneurs; units in agriexport zones, and agriculture graduates Individually or in groups for setting up agribusiness projects.</p> <p>For professional management and accountability, the groups have to preferably form into companies or producer companies under the relevant act.</p>
ELIGIBLE FINANCING INSTITUTIONS	All notified financial institutions notified by the RBI where the ownership of the Central/ State Government is more than 50 per cent such as nationalised banks, SBI & its subsidiaries, IDBI, SIDBI, NABARD, NCDC, NEDFi, RRBs & State Financial Corporations.
QUALIFYING PROJECTS	<ol style="list-style-type: none"> 1. Project should be in agriculture or allied sector or related to agricultural services. Poultry and dairy projects will also be covered under the scheme. 2. Project should provide assured market to farmers/producer groups. 3. Project should encourage farmers to diversify into high value crops, to increase farm incomes. 4. Project should be accepted by notified financial institutions for grant of term loan.
FINANCIAL SUPPORT	<p>The quantum of SFAC Venture Capital Assistance will depend on the project cost and will be the lowest of the following:</p> <ul style="list-style-type: none"> • 26 per cent promoter equity • INR 50.00 lakh <p>Provided that for projects located in the North Eastern Region (NER), hilly States (Uttarakhand, Himachal Pradesh, Jammu & Kashmir) and in all cases in any part of the country where the project is promoted by a registered FPO, the quantum of venture capital will be the lowest of the following:</p> <ul style="list-style-type: none"> • 40 per cent promoter equity • INR 50.00 lakh • <p>The cost of proposed agribusiness project would have to be INR 15 lakh and above, subject to a maximum of INR 500 lakh. However, projects valuing INR 10 lakh and above, proposed to be located in backward districts as notified by the Planning Commission, hilly and the NE states could also be considered for PDF and VCA.</p>

	<p>The Executive Committee of SFAC will have the power to consider projects for higher VCA provided:</p> <ol style="list-style-type: none"> 1. Provision for higher VCA has been appraised and approved by sanctioning authority of term loan subject to maximum of INR 3 Crore. 2. Total cost of the project not more than INR 10 Crore. 3. Projects are located in the NER and other difficult pre-identified districts declared backward by Planning Commission's Backward Regions Grant Fund Scheme (BRGF).
<p>SALIENT FEATURES</p>	<p>SFAC would provide venture capital to qualifying projects on the recommendations of the notified financial institution financing the project. This venture capital will be repayable back to SFAC after the repayment of term loan of lending notified financial institution as per original repayment schedule or earlier.</p> <p>SFAC would provide venture capital to agribusiness projects by way of soft loan to supplement the financial gap worked out by the sanctioning authority of term loan under Means of Finance with respect to cost of project subject to the fulfillment of the following conditions:</p>
<p>PROJECT DEVELOPMENT FACILITY</p>	<ol style="list-style-type: none"> 1. SFAC will provide financial support to farmers, Producer Groups, Agripreneurs, Units in Agri-Export Zones, and Agriculture graduates (called beneficiary) in the preparation of bankable Detailed Project Reports (DPR) through empanelled consultants/institutions. SFAC will provide for the cost of preparation of DPR depending upon the financial status of the agripreneur, size, location, activity and coverage on a case to case basis. 2. The beneficiary desirous of seeking assistance for preparation of DPR can approach the nearest empanelled consultant of the district in consultation with notified financial institution along with the details/pre-feasibility of the proposed project for the recommendation of the notified financial institution or SFAC at the State or Central level. 3. The notified financial institution on being satisfied about the feasibility of the intending project will recommend it to SFAC for providing financial assistance for the preparation of DPR. Intending projects must be over INR 15 lakh (INR 10 lakh in projects located in backward district of States notified by Planning Commission, North Eastern States and other hilly States i.e. H.P., J&K and Uttarakhand) in size. 4. Based on the activity and location of the project, SFAC will entrust preparation of DPR to one of the consultants on its panel. 5. SFAC will release cost of DPR preparation to the empanelled consultant.
<p>IMPORTANT WEBLINKS</p>	<p>http://sfacindia.com/UploadFile/Statistics/SFAC%20VCA%20Guideline.pdf</p>

B2. Equity Grant and Credit Guarantee Fund Scheme

The scheme has been further elaborated under two parts.

B 2.1 Equity Grant Scheme

IMPLEMENTED BY	Small Farmers' Agri-Business Consortium
OBJECTIVES OF THE SCHEME/FUND	The Equity Grant Fund enables eligible FPCs to receive a grant equivalent in amount to the equity contribution of their shareholder members in the FPC, thus enhancing the overall capital base of the FPC. The Scheme shall address nascent and emerging FPCs, which have paid up capital not exceeding INR 30 lakh as on the date of application.
ELIGIBILITY CRITERIA FOR FPC FOR COVERAGE UNDER THE SCHEME	<p>The Equity Grant shall be sanctioned to eligible FPCs as follows:</p> <ol style="list-style-type: none">Equity Grant shall be a cash infusion equivalent to the amount of shareholder equity in the FPC subject to a cap of INR 15 lakh per FPC.Equity Grant sanctioned shall be directly transferred to the bank account of the FPC.The FPC shall, within 45 days of the receipt of the Equity Grant, issue additional shares to its shareholder members, equivalent in value to the amount of the grant received by it, provided that the maximum grant per category of shareholder is as follows:<ol style="list-style-type: none">Individual Shareholder - INR 1000.00Group of Individual Shareholders (e.g. SHG, FIG, JLG of farmers) - number of members multiplied by INR 1000.00, subject to a maximum of INR 20000.00Institutional shareholders (FPCs)- INR 100000The criteria for calculation of Equity Grant (rounded off to the Share Unit Value (subject to point (iii)) to each shareholder member of the FPC (as per authenticated copy of the Shareholders Register maintained by the Producers Company as per the applicable provisions of the relevant Act) is as follows:<ol style="list-style-type: none">Allocation of shares shall be on matching/pro-rata basis of the shareholders' current shareholding, subject to the maximum specified above and ensuring that each shareholder member receives minimum one equity share.If the grant sanctioned to the FPC is not sufficient to ensure a minimum one share to all its shareholder members, allocation of grant shall be based on the shareholders' current landholding, starting with shareholder with the least land holding/the smallest producer in case of allied activities/or by transparent draw of lots where such identification is not possible.The FPC shall be allowed to draw the Equity Grant in a maximum of two tranches (within a period of 2 years of the first application) subject to the cap of INR 10 lakh per FPC, provided and to the extent that it is able to raise additional Member Equity to qualify for an additional matching grant within the overall ceiling of INR 15 lakh. The request for the second tranche shall be treated as a fresh application and the full process of due diligence shall be repeated.<p>In the event that a shareholder, who receives additional shares issued by the FPC against Equity Grant sanctioned by the implementing agency, exits the FPC at any point after receiving the shares, the additional shares received by transparent draw of lots. In such cases, the original shareholder cannot receive the value of the additional shares transferred to other/new members.</p>SFAC shall have the right to recall the Equity Grant amount from the FPC, which shall be legally liable to comply with the same in the case of:<ol style="list-style-type: none">Failure to issue additional shares to members against the Equity Grant received by the FPC within 45 days of its receipt, andClosure/Dissolution of FPC within three years of the receipt of the Equity Grant.Instances of misuse/misappropriation of the Equity Grant (viz. use of funds for activity other than mentioned in Memorandum of Association/Articles of Association/Business plan of the FPC) of the Equity Grant.

INSTITUTIONAL DUE DILIGENCE	<p>The implementing agency shall undertake a due diligence process to establish the credibility, sustainability and viability of the FPC, before taking a decision on its application for Equity Grant. The due diligence shall cover the following aspects:</p> <ol style="list-style-type: none"> Governance; Business and Business Plan Viability; Management Capability; Financials. <p>Due diligence shall be conducted through Desk Appraisal on the basis of documents received and a field visit to the FPC and its promoter organisation if applicable.</p>
DRAWAL OF EQUITY GRANT	<p>FPC shall be allowed to draw the Equity Grant in a maximum of two tranches within a period of 3 years instead of 2 years of the first application subject to the cap of INR 15.00 lakh per FPC. Third tranche shall as a special case be allowed to only those FPCs who have already availed Second tranche of Equity Grant within a period of three years subject to the cap of INR 15.00 lakh per FPC in order to provide them equal opportunity.</p>

B 2.2 Credit Guarantee Fund Scheme

IMPLEMENTING AGENCY	<p>The scheme is operated by SFAC through lending institutions</p>
OBJECTIVES OF THE SCHEME/FUND	<p>The objective of the fund is providing a Credit Guarantee Cover to Eligible Lending Institution (ELI) to enable them to provide collateral free credit to FPCs by minimising their lending risks in respect of loans not exceeding INR 100.00 lakh.</p>
ELIGIBILITY CRITERIA FOR FPC FOR COVERAGE UNDER THE SCHEME	<ol style="list-style-type: none"> It is a duly registered FPC as defined in Section 3{(Farmer Producer Companies (FPC) means a company of Farmer Producer Members as defined in section IXA of the Indian Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and incorporated with the Registrar of Companies (RoC)}. It has raised equity from its members as laid down in its Articles of Association/Bye laws. The number of its individual shareholders shall not be lower than 500. Minimum 33 per cent of its shareholders are small, marginal and landless tenant farmers. Maximum shareholding by any one member other than an institutional member is not more than 5 per cent of total equity of the FPC. It has a duly elected/nominated Board with a minimum of five members and having adequate representation from farmers and minimum one woman member. It has a duly elected Management Committee. It has a business plan and budget for 18 months. The Bank ELI has extended/sanctioned within six months of the date of application for the guarantee or/in principle agreed in writing/has expressed willingness in writing to sanction Term Loan/Working Capital/Composite Credit Facility without any collateral security or third party guarantee including personal guarantee of Board Members.
ELIGIBLE LENDING INSTITUTION	<p>A Scheduled Commercial Bank included in the second Schedule to the RBI Act, 1934, and RRBs, NCD, NABARD and its subsidiaries, NEDFi, or any other institution (s) as may be decided by the SFAC Board or as directed by the Government of India from time to time.</p>

<p>SCOPE OF COVERAGE</p>	<p>Type of credit facilities eligible under CGF</p> <ol style="list-style-type: none"> 1. Credit facility extended without any collateral security and/or third party guarantees. 2. Credit facilities (Fund based and/or Non fund based) already sanctioned/extended within six months from the date of the application for the guarantee cover or intended to be extended singly or jointly by one or more than one ELIs to a single eligible FPC borrower by way of term loan and/or working capital/composite credit facilities. 3. The ELI can extend credit without any limit; however, the guarantee cover shall be limited to the maximum guarantee cover specified under the Scheme. <p>•</p> <p>Credit facilities are not eligible under CGF SFAC</p> <ol style="list-style-type: none"> 1. Credit facility sanctioned against collateral security and/or third party guarantee. 2. Any credit facility in respect of which risks are additionally covered under any scheme operated/administered by RBI/or by the Government/or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity. 3. Any credit facility, which does not conform to, or is in any way inconsistent with, the provisions of any law, or with any directives or instructions issued by the Central Government or the RBI, which is, for the time being, in force. 4. Any credit facility granted to any borrower, who has himself availed of any other credit facility covered under this scheme or under the schemes mentioned in clause (i), (ii) and (iii) above at any point in time. 5. Any credit facility that is overdue for repayment/NPA taken over by the ELI from any other lender or any other default converted into a credit facility. 6. Any credit facility which is overdue for repayment. 7. Any credit facility which has been rescheduled or restructured on becoming overdue.
<p>CREDIT GUARANTEE COVER ASPECTS</p>	<ol style="list-style-type: none"> 1. ELI shall be eligible to seek guarantee cover for a credit facility sanctioned in respect of a single FPC borrower for a maximum 2 times over a period of 5 years. 2. Maximum guarantee cover shall be restricted to the extent of 85 per cent of the eligible sanctioned credit facility or up to INR 85 Lakh, whichever is lower. 3. In case of default, claims shall be settled up to 85 per cent of the amount in default subject to maximum cover as specified above. Other charges such as penal interest, commitment charge, service charge, or any other levies/expenses, or any costs whatsoever debited to the account of FPC by the ELI other than the contracted interest shall not qualify for guarantee cover. 4. The cover shall only be granted after the ELI enters into an agreement with SFAC and shall be granted in accordance with the Terms and Conditions from time to time.
<p>TENURE OF GUARANTEE COVER</p>	<p>The maximum period of guarantee cover from the guarantee start-up shall run through the agreed tenure of the term credit, and where working capital facilities alone are extended and/or continuing working capital arrangements granted along with the Term Loan, for a period of 5 years or block of 5 years and/or loan/working capital credit or other facilities' termination date, whichever is earlier or such period as may be specified by the SFAC.</p>
<p>PROCEDURE FOR SANCTION</p>	<p>SFAC shall-</p> <ol style="list-style-type: none"> 1. Scrutinise the proposal as per the terms and conditions of the Scheme. 2. Inspect or call for copies of the books of account and other records (including any book of instructions or manuals or circulars covering general instructions regarding Conduct of Advances) of the lending institution or of the borrower from the lending institution. 3. Inspection shall be carried out through the officers of SFAC or any other agency appointed by SFAC. 4. The Investment and Claims Settlement Committee (I&CSC) shall sanction the guarantee cover. 5. The ELI shall enter into an agreement with SFAC (bank branch manager level).

FEES

Guarantee fees

1. The fee payable to SFAC by the ELI is a onetime Guarantee Fee calculated @ 0.85 per cent of the sanctioned credit facility, subject to a maximum of INR 85,000/- (Rs. Eighty Five Thousand only).
2. The fee shall be paid upfront to SFAC by ELI for each loan account. The payment is to be made within 30 days from the date of approval of the guarantee or such date as is specified by SFAC.

Annual service fee

1. In addition to onetime guarantee fee, an annual service fee of 0.25 per cent per annum or such other rate or limit as may be decided from time to time per loan account shall be charged from ELIs to keep the guarantee of SFAC live.
 2. The decision of passing on the incidence of guarantee fee and annual guarantee fee to the borrower is left to the discretion of the ELI.
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SECTION C

CENTRALLY SPONSORED SCHEMES

Central Ministries of Government of India like Dept. Of Agriculture and Farmers Welfare, Ministry of Food Processing have also come up with their respective schemes for promotion and support to Farmer Producer Organisations.

As a strategy for implementation of various activities, the National Food Security Mission has also focused on promotion of FPOs to augment food production especially on its designated food crops.

The union budget 2019 has announced formation of 10,000 new FPOs, to ensure economies of scale for farmers over the next five years

C1. Rashtriya Krishi Vikas Yojana (RKVY) -Remunerative Approaches for Agriculture and Allied sector Rejuvenation (RAFTAAR)

RKVY was initiated in 2007 as an umbrella scheme for ensuring holistic development of agriculture and allied sectors by allowing states to choose their own agriculture and allied sector development activities as per the district/state agriculture plan.

RKVY guidelines have been revamped as RKVY – RAFTAAR to enhance efficiency, efficacy and inclusiveness of the programme.

NODAL DEPARTMENT	Department of Agriculture, Cooperation & Farmer Welfare, State Departments
OBJECTIVE OF THE SCHEME	RKVY-RAFTAAR aims at making farming a remunerative economic activity through strengthening the farmers' effort, risk mitigation and promoting agri-business entrepreneurship.
CENTRAL AND STATE FUND SHARE	RKVY-RAFTAAR will continue to be implemented as a Centrally Sponsored Scheme (CSS) in the ratio of 60: 40 (Government of India and State share respectively). Funds will be made available to the States in two installments of 50 per cent each.
GUIDELINES	SFAC has been mandated by DAC & FW, Ministry of Agriculture & Farmers Welfare to support the State Governments in the promotion of FPOs. Guidelines for FPOs are placed on the website of RKVY and may be utilised to promote FPOs under all streams of RKVY-RAFTAAR.
FORMATION OF FPOs	Formation of FPOs has been supported through the scheme 'Vegetable Initiative for Urban Clusters (VIUC)' and Integrated Development of 60,000 pulse villages in rainfed areas, whereby FPO projects has been taken up by some State Governments under general RKVY funds. Funds for formation and strengthening of FPOs and projects under FPOs may be taken up under RKVY –RAFTAAR for the period 2017-18 to 2019-20. However, no duplication with other schemes should be made.
SECTORS OF INTERVENTIONS	<ol style="list-style-type: none"> 1. Crop Husbandry (including Horticulture) 2. Animal Husbandry and Fisheries 3. Dairy Development 4. Agricultural Research and Education 5. Forestry and Wildlife 6. Plantation and Agricultural Marketing 7. Food Storage and Warehousing 8. Soil and Water Conservation 9. Agricultural Financial Institutions 10. And other Agricultural Programmes and Cooperation

ACTIVITIES	<p>The below list is not exhaustive. Therefore, schemes that are important for agriculture and allied sector development but cannot be categorised under can also be proposed under this stream. However, projects for creation/strengthening of infrastructure and assets should be funded under RKVY – RAFTAAR (infrastructure and assets) stream.</p> <ol style="list-style-type: none"> 1. Integrated development of major food crops such as wheat, paddy, coarse cereals, minor millets, pulses, oilseeds. 2. Integrated development of fodder crops including perennial grasses, fodder, trees and shrubs. 3. Agriculture mechanisation. 4. Activities related to enhancement of soil health. 5. Development of rainfed farming systems in and outside watershed areas. 6. Integrated Pest Management schemes. 7. Promoting Extension Services. 8. Animal husbandry and fisheries development activities. 9. Study tours of farmers. 10. Organic and bio-fertilisers. 11. Sericulture.
ELIGIBILITY	<p>To enhance the farmers income, the FPOs having 500 or above number of farmers may be supported under RKVY and RAFTAAR. Further, FPOs may also be promoted in the less populated areas/districts of the State.</p>
SUBSIDY	<p>Subsidy pattern for FPOs should be as per the existing schemes and their norms.</p>
WEBLINK	<p>https://rkvy.nic.in/static/download/pdf/RKVY_14th_Fin...Comm.pdf</p>

C2. Re-Vamped National Food Security Mission (NFSM)

A Centrally Sponsored Scheme, 'National Food Security Mission' (NFSM), was launched in October 2007. Under revamped NFSM small and marginal farmers would be organised into FPOs and would be supported in the area of value chain integration and millet production.

Majority of the farmers are small producers who face difficulties in managing high risk involved in farming mainly due to weather aberrations, uneven access to technologies, unreliable input supplies, erratic power supply, inadequate marketing arrangements etc.

Forming and strengthening of FPOs is likely to mitigate at least some of the risks and constraints faced by the farmers. The formation of FPOs may offer a collective strength for seed production and seed procurement, access to credit and improved technologies, reduce transaction costs, facilitate value addition, tap high value markets etc and enter into partnerships with private entities on more equitable terms. SFAC has already demonstrated the benefits of aggregating farmers into FPOs during the XII Plan.

State Governments will be required to submit their action plans for FPO promotion, to be undertaken through SFAC or similar organisations, along with their annual action plans. Assistance for FPO promotion will be available for a maximum period of three years as per the FPO Process Guidelines of DAC & FW. The action plans must specify the commodity, target area and target producers, besides the manner in which value addition will be undertaken during the promotion of FPOs.

OBJECTIVE OF THE SCHEME

1. Increasing production of rice, wheat, pulses, coarse cereals (Maize and Barley) and Nutri-Cereals through area expansion and productivity enhancement in a sustainable manner in the identified districts of the country.
2. Restoring soil fertility and productivity at the individual farm level and
3. Enhancing farm level economy (i.e. farm profits) to restore confidence amongst the farmers.

IMPLEMENTATION AGENCIES

Implementation of the mission's activities in the State through Farmers Societies, NGOs, Growers' Associations, SHGs, FPOs, State 7 | page institutions and other similar entities as per the States strategy besides approved agencies of the mission.

State Governments will be required to submit their action plans for FPO promotion, to be undertaken through SFAC or similar organisations, along with their annual action plans.

ACTION PLAN COMPONENTS

The action plans must specify the commodity, target area and target producers, besides the manner in which value addition will be undertaken during the promotion of FPOs. The action plan should broadly be divided into four areas viz.

1. Mobilisation, training, exposure and capacity building interventions.
2. Agriculture based livelihood interventions such as trial and demonstration of Good Agricultural Practices (GAP) (replacement of varieties, pre-and post-sowing practices, seed production and dissemination, INM, IPM, etc.).
3. Formation and development of Kissan Producer Company or other institutional form, which will include awareness building, federating and drafting constitution, registration of the company, develop and establish system and procedures related to administration, accounts, HR, develop business plan and implementation, statutory compliance, etc.
4. Linkage to value chain (marketing). SFAC will assist the State Governments in drawing up action plans, if required. State Governments will also have the flexibility to undertake FPO promotion through any other Central, State, Civil Society or private in the process guidelines for FPOs.

AREA OF INTERVENTIONS

1. Mobilisation, training, exposure and capacity building interventions.
2. Agriculture-based livelihood interventions such as trial and demonstration of GAP (replacement of varieties, pre-and post-sowing practices, seed production and dissemination, INM, IPM, etc.).
3. Formation and development of Kissan Producer Company or other institutional form, which will include awareness building, federating, drafting constitution, registration of the company, develop and establish system and procedures related to administration, accounts, HR, develop business plan and implementation, statutory compliance, etc. and
4. Linkage to value chain (marketing). SFAC will assist the State Governments in drawing up action plans, if required. State Governments will also have the flexibility to undertake FPO promotion through any other Central, State, Civil Society or private in the process Guidelines for FPOs referred to above, will be followed in such sector entity of their choice.

COMPONENT WISE FINANCIAL PROVISIONS

For an FPO of 1000 farmers, the following support is given

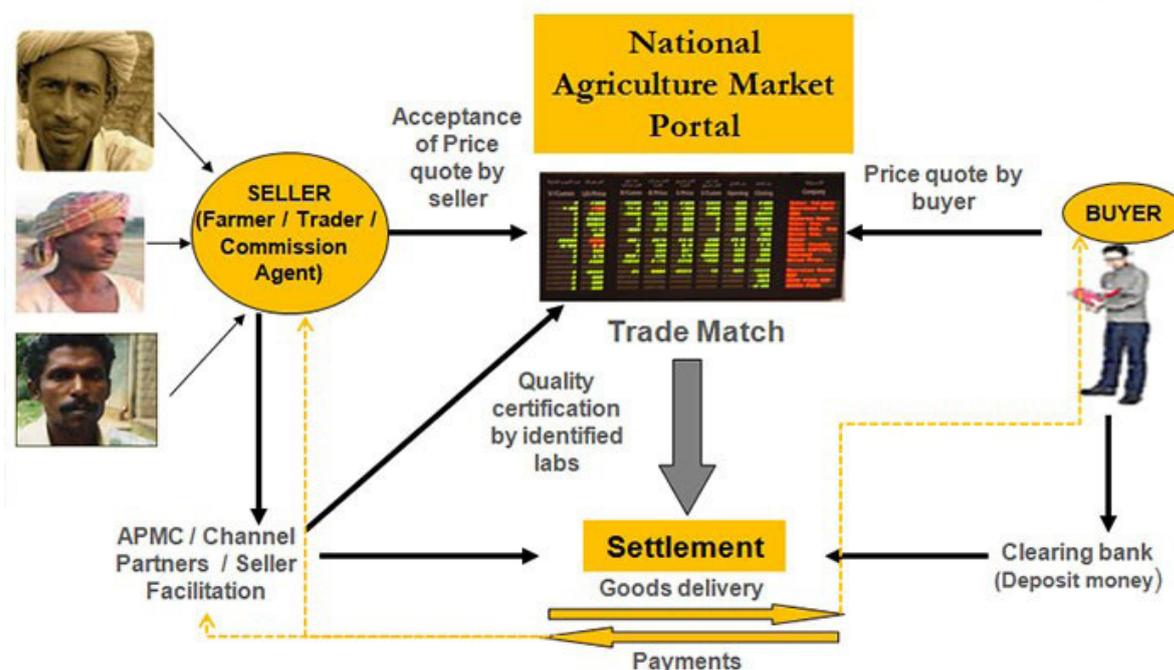
1. Mobilisation of farmers into registered producer organisations of around 1000 members each, with inputs of training and capacity building and training (as per model FPO Process Guidelines of DAC)- INR 40.75 lakh.
2. Establishment of mini dal mills by farmers, farmer groups or registered FPOs (@ INR 10 lakh, or 30 per cent of the total cost, whichever is lower, as one-time support).
3. Support for branding and marketing of milled pulses or millets (available only to registered FPOs @ INR 5.00 lakh per FPO, for one-time support only).
4. Marketing support to un-registered farmer groups, SHGs, SHG federation etc. for local marketing of pulses and millets (@ INR 2.00 lakh per group of 15 farmers, for one-time support only).
5. Support to registered FPOs to set up and equip procurement centres to grade and process pulses and millets (@ INR 5.00 lakh per FPO for one-time support only).

SUPPORT FOR CROP – MILLET	Millets cultivation in India is dominated by resource poor small holder farmers and widely dispersed across geographies. Leveraging on those existing FPOs and federation of such resource poor famers into new FPOs would result in attaining faster results. The outcomes are expected to improve access to quality inputs, credit and technology, plus adoption of better practices, higher productivity and higher incomes due to integration in the value chain and to share in the resulting benefits under NFSM. It is envisaged that during the next 5 years at-least 100 millet based FPOs will be formed.
PERIOD OF ASSISTANCE	Assistance for FPO promotion will be available for a maximum period of three years as per the FPO Process Guidelines of SFAC.
QUANTUM OF ASSISTANCE	<ol style="list-style-type: none"> 1. Federating FPOs: Mobilisation of farmers into registered POs of around 1000 members each, with inputs of training and capacity building and training (as per model FPO Process Guidelines of DAC); INR 5 lakh. 2. Processing Facilities: Establishment of primary & secondary processing units with storage facilities by farmers, farmer groups or registered FPOs; INR 50 Lakh. 3. Marketing Support: Branding and marketing including organic certification of millets along with Millet Kitchen (registered FPOs @ INR 5.00 lakh per FPO, for one time support only).
WEBLINK	https://www.nfsm.gov.in/Guidelines/NFSM12102018.pdf

C3. NAM – National Agriculture Market Scheme

SFAC is designated as the lead agency to roll out the NAM

National Agriculture Market (NAM) is envisaged as a pan-India electronic trading portal which seeks to network the existing Agricultural Produce Market Committee (APCL) and other market yards to create a unified national market for agricultural commodities. NAM will create a national network of physical mandis which can be accessed online. It seeks to leverage the physical infrastructure of the mandis through an online trading portal, enabling buyers situated even outside the State to participate in trading at the local level.



Agriculture Market Working Model

1. FPOs/FPCs can register on eNAM Portal via website (www.enam.gov.in) or mobile app or providing following details at nearest eNAM mandi:
 - a. Name of FPOs/FPCs
 - b. Name, address, email Id and contact of authorised person (MD/CEO/Manager)
 - c. Bank account details (name of bank, branch, account no. IFSC Code)
2. FPOs/FPCs can act as an aggregator for its member and sell through e-trading as one/multiple lot depending upon requirement.
3. Payment will be done directly to the FPO/FPCs bank account. In turn FPO/FPCs can distribute among members.
4. Union budget 2017-18 made provision to install collection/sorting/grading/packing facilities at their premises.
5. Provision for personalised dashboard and real time information on arrival, quality and price of commodities.
6. Currently 400+ FPO's have been onboarded on eNAM platform.
 - a. The entire payment will be credited to one bank account of FPO/FPC.
 - b. Post credit of payment disbursement of amount to individual members farmers has to be done by FPO/FPC.
 - c. FPOs/FPCs will be provided access to e-NAM Dashboard to see MIS and Reports related to the trade executed by FPOs/FPCs.

C4. 'Operation Greens' under Ministry of Food Processing Industries

Government of Indian (GOI) has approved a new Central Sponsored Scheme (CSS) "Operation Greens" - a scheme for integrated development of Tomato, Onion and Potato (TOP) value chain, with a budgetary allocation of INR 500 crores spread over the period 2018-19 and 2019-20 with allocation of INR 200 crore and INR 300 crores respectively, implemented by the ministry of Food Processing Industries (MoFPI). The scheme is expected to result into capacity building of FPOs through their professional development, reduction of post-harvest losses, creation of preservation & processing infrastructure, provision of Agri-Logistics for supply chain, price stabilisation for consumers and producers and preventing distress sale by TOP farmers.

OBJECTIVE OF THE SCHEME

- a. Enhancing value realisation of TOP farmers by targeted interventions to strengthen TOP production clusters and their FPOs and linking/connecting them with the market.
- b. Price stabilisation for producers and consumers by proper production planning in the TOP clusters and introduction of dual use varieties through convergence with the scheme implemented by Mission for Integrated Development of Horticulture (MIDH) and State Governments.
- c. Reduction in post-harvest losses by creation of farm gate infrastructure, development of suitable agri-logistics, creation of appropriate storage capacity linking consumption centres.
- d. Increase in food processing capacities and value addition in TOP value chain by creating firm linkages with production clusters.
- e. Setting up of a market intelligence network to collect and collate real time data on demand and supply and price on regional and seasonal basis to moderate and check localised gluts of TOP crops.

ELIGIBILITY

FPO may register either under the Companies Act or under the various central and state cooperative society laws (Dept. of Agriculture and Cooperation, Govt of India).

NODAL AGENCY

NAFED is the Nodal Agency (NA) for implementing short-term measures for price stabilisation of TOP crops.

ELIGIBILITY CRITERIA

- a. The combined net worth of the promoter(s)/proposed shareholders of the PIA should not be less than the grant amount sought. Each member in PIA (other than FPOs and farmer's group) must have a net-worth at least 1.5 times of his/her proposed equity contribution in order to ensure requisite contribution for the project from each shareholder.
- b. There should be sufficient liquidity in the form of net current assets and the PIA should demonstrate its capacity to mobilise the promoter's contribution in time bound manner for project implementation.
- c. PIA needs to bring in at least 20 per cent (10 per cent for FPOs) of the total project cost as equity contribution and at least 20 per cent (10 per cent for FPOs) of the total cost towards post-harvest processing facility, Agri-Logistics and marketing/consumption points excluding small infrastructure like storage & pack house at farm gate as term loan from the bank/financial institutions.
- d. The promoter holding maximum equity in the PIA will be lead promoter. The lead promoter will be primarily responsible for coordination with all stakeholders including with MoFPI to ensure timely and effective implementation of the project.
- e. The land for the project shall be arranged by the PIA either by purchase or on lease of at least 15 years.
- f. Any entity/applicant which has availed grant from MoFPI for any project under another scheme of the Ministry, shall, in future, shall be considered eligible for grant under this scheme only after one-year of successful completion of that project.

PATTERN OF ASSISTANCE

For Price Stabilisation Measures:

- a. 50 per cent of cost of transportation and 50 per cent of cost of hiring appropriate storage facilities will be provided as subsidy at the time of harvest. Storage facilities will be hired for a maximum period of 4 to 6 months. NAFED will be nodal agency for disbursement of subsidy under this component to the eligible organisation.

For Integrated value chain development projects:

- b. The post-harvest processing facilities including secondary processing facilities will be mandatory components of the Integrated value chain development project. The projects will be eligible for grant-in-aid at the rate of 50 per cent of the eligible project cost in all areas, subject to maximum INR 50 crore per project. However, in case where PIA is/ are FPO(s), the grant-in-aid will be at the rate of 70 per cent of the eligible project cost in all areas, subject to maximum INR 50 crore per project.
 - ii. The eligible cost will exclude the cost of the land and pre-operative expenses. The cost norm for various components under this Scheme for determining upper limit of eligible cost of that components will as under:
 - a. Capacity building of FPOs and their consortium - SFAC norms.
 - b. Quality production - MIDH Norms (To be met by Ministry of Agriculture).
 - c. Post-harvest processing facilities - MIDH Norms. Wherever MIDH norms not available, MoFPI will determine the cost norms with the approval of Inter-Ministerial Committee.
 - d. Agri-logistics - MIDH Norms. Wherever MIDH norms not available, MoFPI will determine the cost norms with the approval of Inter-Ministerial Committee.
 - e. Marketing and aggregating points - MIDH Norms. Wherever MIDH norms are not available, MoFPI will determine the cost norms with the approval of Inter-Ministerial Committee.

Maximum 5 per cent of total annual allocation under the scheme may be utilised for the administrative expenses by the MoFPI/NAFED/State governments, if necessary.

MoFPI is also implementing Pradhan Mantri Kisan Sampada Yojana (PMKSY), which have the following sub-components:

- a. Mega Food Parks.
- b. Integrated Cold Chain & Value Addition Infrastructure.
- c. Infrastructure for Agro-processing Clusters.
- d. Creation/Expansion of Food Processing & Preservation Capacities.
- e. Creation of Backward and Forward Linkages.
- f. Quality Assurance Infrastructure - Food Testing Labs, HACCP.
- g. Human Resources and Institutions - NIFTEM, IICPT, Boards, R&D, Promotional, Skill Development.



SECTION D

NATIONAL AND STATE FPO POLICIES

Apart from the National FPO policy, different State Governments have also come up with their FPO policies and support mechanisms for organising and strengthening farmers in their respective states. The policies are aimed at providing direction, incentives and subsidies for development and nurturing of FPOs. These policies would help promote collective farming for credit mobilisation, better adoption of technology and to facilitate effective forward and backward linkages. Some of the state policies and support for FPOs have been documented on following pages.

D1. National Policy for Promotion of Farmer Producer Organisations

NATIONAL GUIDELINES	Policy and process guidelines for FPOs – Govt. of India
VISION	To build a prosperous and sustainable agriculture sector by promoting and supporting member-owned POs, that enable farmers to enhance productivity through efficient, cost-effective and sustainable resource use and realise higher returns for their produce, through collective action supported by the government, and fruitful collaboration with academia, research agencies, civil society and the private sector.
SCOPE AND COVERAGE	<p>The provisions of this Policy will apply equally to FPOs already registered either under the Companies Act and under various central and state cooperative society laws and those FPOs which will be registered after the issue of this Policy.</p> <p>The main qualifying criterion for an FPO to attract benefits under various schemes and programmes of the Central and State Government is that it must be a body registered and administered by farmers and the organisation must be focused on activities in the agriculture and allied.</p>
NODAL DEPARTMENT	Department of Agriculture and Cooperation (DAC), Ministry of Agriculture, Govt. of India
PARTNERS	Civil society institutions, research organisations, consultants, private sector players, financial institutions and any other entities.
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • National Cooperative Development Corporation (NCDC) will be expanded to include FPOs in the list of eligible institutions which receive support under the various programmes of the Corporation. • National Agriculture Cooperative Marketing Federation of India Ltd (NAFED) will take steps to include FPOs in the list of eligible institutions which act on its behalf to undertake price support purchase operations. • DAC will work with Food Corporation of India (FCI) and State Governments to encourage them to include FPOs as procurement agencies under the Minimum Support Price (MSP). • DAC and its designated agencies will work with NABARD and other financial institutions to direct short- and medium-term credit for working capital and infrastructure investment needs of FPOs. • DAC will work with Ministry of Corporate Affairs (MCA) and other stakeholders to further clarify and strengthen provisions of the law relating to the registration, management and regulation of FPOs with a view to fostering fast paced growth of FPOs.
FINANCIAL SUPPORT BY GOVERNMENT OF INDIA	<ul style="list-style-type: none"> • Budget towards formation and nurturing of FPO for a period of three years = INR 35.26 lakh per FPO. • Development of business plan and implementation for each FPO by professional agency for 18 months = INR 2.0 lakh.

STATE FINANCED PROGRAMMES AND SCHEMES TO SUPPORT FPOs

- State Governments to take up formation of FPOs on a large scale through Centrally sponsored and State-financed programmes and schemes.
- Make provisions for easy issue of licenses to FPOs to trade in inputs (seed, fertiliser, farm machinery, pesticides etc.).
- Amendments in the APMC Act to allow direct sale of farm produce by FPOs at the farmgate.
- FPOs as implementing agencies for various agricultural development programmes, especially RKVY, NFSM, ATMA etc. and extending the benefits of Central and State funded programmes in agriculture to members of FPOs.
- Linking FPOs to financial institutions like cooperative banks, State Financial Corporations etc. for working capital, storage and processing infrastructure and other investments.

SALIENT FEATURES

SFAC, to be the designated agency of DAC to act as a single-window for technical support, training needs, research and knowledge management and to create linkages to investments, technology and markets. SFAC will provide all- round support to State Governments, FPOs and other entities engaged in the promotion and development of FPOs. SFAC will create sustainable linkages between FPOs and inputs suppliers, technology providers, extension and research agencies and marketing and processing players, both in the public and private sectors.

BENEFITS/ PRIVILEGES TO THE FARMERS/ PRODUCERS/ MEMBERS

- Financial Services: The FPO will provide loans for crops, purchase of tractors, pump sets, construction of wells, laying of pipelines.
- Input Supply Services: The FPO will provide low cost and quality inputs to member farmers. It will supply fertilisers, pesticides, seeds, sprayers, pumpsets, accessories, pipelines.
- Procurement and Packaging Services: The FPO will procure agriculture produce from its member farmers; will do the storage, value addition and packaging.
- Marketing Services: The FPO will do the direct marketing after procurement of agricultural produce. This will enable members to save in terms of time, transaction costs, weighment losses, distress sales, price fluctuations, transportation, quality maintenance etc.
- Insurance Services: The FPO will provide various insurance like Crop Insurance, Electric Motors Insurance and Life Insurance.
- Technical Services: FPO will promote best practices of farming, maintain marketing information system, diversifying and raising levels of knowledge and skills in agricultural production and post-harvest processing that adds value to products.
- Networking Services: Making channels of information (e.g. about product specifications, market prices) and other business services accessible to rural producers; facilitating linkages with financial institutions, building linkages of producers, processors, traders and consumers, facilitating linkages with government programmes.

IMPORTANT WEBLINKS

List of FPOs – state wise
<http://sfacindia.com/List-of-FPO-Statewise.aspx>

D2. Odisha

NAME OF THE SCHEME	ODISHA FARMER PRODUCER ORGANISATIONS (FPOs) POLICY, 2018 DEPARTMENT OF AGRICULTURE AND FARMERS' EMPOWERMENT GOVERNMENT OF ODISHA
VISION	To position Odisha in a sustained growth path and generating higher returns to farming communities by establishment of FPOs in the sector of Agriculture, Horticulture, Fisheries, Dairy, and Animal Husbandry.
SCOPE AND COVERAGE	The Policy shall provide direction, incentives and exemptions over and above the FPO Policy of Government of India and any other existing Policy in the State.
NODAL DEPARTMENT	Directorate of Horticulture will be the coordinating resource institution for the State, all allied departments will have their own Project Management Unit (PMU).
PARTNERS	APICOL, Civil society institutions, research organisations, consultants, private sector players NABARD, OUAT, CTRAN, ITSL etc.
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> Equity Grant and Credit Guarantee Funds: The successful FPOs will be eligible for Equity Grant and Credit Guarantee Fund Schemes of Govt. of India.
FINANCIAL SUPPORT BY GOVERNMENT OF ODISHA	<ul style="list-style-type: none"> Corpus Fund: A FPO Fund with an initial corpus of INR 100.00 crore per year shall be setup with Department of Agriculture and Farmers' Empowerment to support FPOs, RIs, POPIs and PMU in all sectors. The maximum timeline for promotion of FPO will be 7 years. Investment Promotion Subsidy: FPOs will be eligible for all the existing investment promotion subsidy of the Government of Odisha. Further, FPOs will be eligible for Investment promotion subsidy @ 50 per cent of the value of fixed assets (VFA) for purposes not specified and if relevant for development of FPOs. Exemption from Stamp Duty: Stamp duty to be paid in respect of (i) loan agreements, credit deeds, mortgage and hypothecation deeds executed for availing loans shall be waived and (ii) for lease deeds, lease-cum-sale and absolute sale deeds executed in respect of purchase of plots, sheds, godown shall be exempted @100 per cent if used for the office, retail/wholesale outlets, godown, processing, sorting and grading yard or similar purpose by FPOs. Concessional Registration Charges: For all loan documents, lease deeds and sale deeds entered into by FPOs, the registration charges shall be at a concessional rate @ INR 0.50 per INR 1000 irrespective of the size of FPOs. The exemption of stamp duty and concessional registration charges shall also be applicable to lands purchased and also for converted lands proposed to be used by FPOs for the specified purpose of setting of office, godown, and processing, sorting, grading and similar activities. Interest Subsidy: Interest subsidy of 6 per cent per annum on term loans will be provided to FPOs for a period of 7 years. This interest subsidy is payable to financial institutions like NABARD, SIDBI etc. on behalf of the FPOs only if the FPOs has not defaulted in payment of either principal or interest instalments. The amount of interest subsidy will be effective rate of interest (after deducting interest subsidy receivable by any institution/s under any Government of India or Government of Odisha scheme).
STATE FINANCED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> FPOs will be given priority and will be treated at par with cooperatives and corporations. State Government will make Single Window Clearance System to support FPOs for easy issue of licenses to trade in inputs like seed, fertiliser, farm machinery, pesticides etc. for use of their members as well as routing the supply of agricultural inputs through FPOs at par with cooperatives.

SALIENT FEATURES	<ul style="list-style-type: none"> • Support FPOs by making provisions for easy issue of licenses to FPOs to trade in inputs like seed, fertiliser, farm machinery, pesticides etc. • The Single Window Clearance System by Department of Agriculture and Farmers' empowerment shall be made applicable to FPOs for issue of licenses for trade in inputs, production, processing, distribution of seeds and saplings. • Land will be made available to FPOs at a concessional rate or free for establishment of exclusive storage, sorting, grading yards and processing plants. • The FPOs will be supported by using them as producers of certified seeds, saplings and other planting materials and production and marketing subsidies will be extended at par with cooperatives and corporations. • The FPOs will be allowed for direct sale of farm produce at the farm gate through FPO owned procurement and marketing centres. • The financial nearness to farmers will be assured by linking FPOs to financial institutions like Cooperative Banks, Regional Rural Banks, Commercial Banks and other Financial Institutions etc., for developing working capital, storage and processing infrastructure and other investments.
ACADEMIC INTERVENTIONS	<ul style="list-style-type: none"> • In order to build a culture of professionalism in the FPOs, the Government shall advise the OUAT, Universities and Private Universities to introduce courses on FPOs education in their syllabus of Rural Management or Agri-Business Management. • The Universities shall be eligible for a one-time grant towards capital items up to a maximum of INR 50 lakh to set up professional course on FPOs. • The Government will encourage students to pursue course on FPOs and their fees to the extent of INR 10000/- per year will be reimbursed by the Government.
SUPPORT AGENCIES:	<p>The FPOs will be facilitated with new technology, infrastructure, knowledge, IT applications, market intelligence and linkage, credit and finance arrangements to ensure availability of end-to-end services for their members.</p> <p>APICOL acts as the State nodal centre for promotion of FPOs.</p>
FINANCING INSTITUTIONS	<p>The FPOs will be linked to financial institutions like Cooperative Banks, Regional Rural Banks, Commercial Banks and other Financial Institutions etc., for developing working capital, storage and processing infrastructure and other investments.</p>
BENEFITS/PRIVILEGES TO THE FARMERS/ PRODUCERS/ MEMBERS	<p>Intensive capacity building and training programme will be conducted for developing strong cohesion among the member producers. Govt. will promote course on FPOs in a concessional rate for better understanding among the FPO members.</p> <p>Several assistances like Corpus funds, Investment promotion subsidy, Interest subsidy, Equity Grant, Credit Guarantee fund, Exemptions from Stamp duty, Concession in registration charges are proposed for strengthening of the FPOs.</p>
MoU WITH NABKISAN	<p>Odisha sign MoU with NABKISAN for collateral free loan by FPOs Odisha government on 26th Feb 2019 signed an MoU with NABKISAN Ltd, a subsidiary of NABARD, for access to collateral free loan facilities by FPOs from financial institutions. The MoU encompasses creation of a INR 10 crore Credit Guarantee Fund by Odisha government which will be administered by NABKISAN and pave the way for providing collateral free loans by the state's financial institutions to the FPOs.</p>
REVENUE GENERATION SOURCES FOR FPOs	<p>The FPOs will render services like Input Subsidy, Financial, Technical, Insurance, Procurement, Packaging, Marketing and Networking.</p>
IMPORTANT WEBLINKS	<p>ODISHA FARMER PRODUCER ORGANISATIONS (FPOs) POLICY https://agriodisha.nic.in/content/pdf/FPO%20POLICY%200F%20ODISHA%20(DRAFT).pdf List of FPOs in the State of Odisha http://sfacindia.com/PDFs/List-of-FPO%20identified-by-SFAC/List-of-FPOs%20-State-Odisha04-08-2015.pdf MARKET LINKAGES, FARMER PRODUCER ORGANISATIONS, ODISHA http://krishikosh.egranth.ac.in/displaybitstream?handle=1/97206</p>

D3. Karnataka

NAME	CENTRE OF EXCELLENCE (COE) FOR FARMER PRODUCER ORGANIZATIONS Government of Karnataka established COE-FPO on 21-8-2017
VISION/GOAL	"It is proposed to continue the process of organizing and strengthening farmers by affiliating them to FPOs in the current year. To support them, 90 per cent subsidy will be given for procurement centres, cold storages, farm mechanization implements and processing units. Backward and Forward Linkages will be provided through PPP-IAD framework of Government of India"
SCOPE AND COVERAGE	This scheme is implemented by Horticulture Department of Karnataka for empowering farmers to take care of their needs with backward and forward linkages. Each FPO is comprised of about 1000 farmers mobilised as 20 members each Farmer Interest Groups (FIG).
NODAL DEPARTMENT	Horticulture Department of Karnataka
PARTNERS	COE- FPO co-ordinate policies and programmes related to sustainable FPO management that plays a coordinating role with Horticulture Dept, Academic institutions, line department, NGOs, traders etc.
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • Rashtriya Krishi Vikas Yojana (RKVY). • Integrated agriculture development through private-public-partnerships (PPP-IAD). • Centrally funded Small Farmers Agriculture-Business Consortium (SFAC) will give an equity linked grant of INR 10 lakh that the state will facilitate. • NABARD is committed to give each FPO INR 5 lakh. • Under National Food Security Mission (NFSM) there is a One-time support of INR 2 lakh per group of 15 farmers towards promotion of FPOs and marketing support towards value chain Integration.
FINANCIAL SUPPORT BY GOVERNMENT OF KARNATAKA	As announced in the Budget speech by Hon'ble Chief Minister of Karnataka on March 13, 2015, the Government of Karnataka is providing support for the infrastructural facilities like procurement centres, cold storages, farm mechanization implements and processing units of such FPOs up to 90 per cent. Government gives the FPO members all the subsidies provided in the sector and INR 90 lakh towards permanent infrastructure such as cold storages, on the condition that the FPO puts in INR 10 lakh. The PPP-IAD scheme may utilise these FPOs for intervention with innovative projects.
STATE FINANCED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • Establishment of COE- FPO in the state. • The COE-FPO an Institutional mechanism will engage in policy analysis, develop knowledge base within the state for gearing up the integrated development of FPO's. It will also serve as a platform for coordination among various departments and other related government agencies, NGOs, private sector firms, and other organisations dealing with the horticulture and allied sectors for fulfilling the objectives and mandates of the Centre.

SALIENT FEATURES OF COE-FPO

The COE-FPO is organised with objectives,

- To impart training and handholding assistance to FPOs for their development and evolution into effective enterprises working especially for economic benefit of smallholder members.
- To become an institution of pre-eminence for research, learning and knowledge dissemination on Producer Enterprises in general and Farmer Producer Organisations in particular.
- To act as an think-tank for guiding policy and developmental interventions aimed at Producer Enterprises in general and Farmer Producer Organisations in particular.
- To demonstrate an effective institutional model that promotes economic sustainability and self-reliance while serving the cause of disadvantaged entities such as Producer Enterprises and small holders.
- Promote partnerships between the government and civil society inclusive of various stakeholders of horticulture and allied sectors.

KEY INTERVENTIONS AS PER GUIDELINES

- Government of Karnataka is providing support for the infrastructural facilities of such FPOs up to 90 per cent.
- Selected Resource Institutions (RI) to assist and organise the working of FPOs.
- RIs engage the Local Resource Persons (LRP) to help the farmers with necessary inputs and keep tracking the progress of the activities in field.
- RIs in turn are provided with technical inputs by the State Universities and IIHR resource persons.
- The management support to the FPOs will be extended to the FPOs for 3 years by the state government.
- FPOs are provided with grant of licence for seeds, fertilizers and pesticides for storage and sales.
- The FPOs will be provided with APMC Commission Agent licence and Trader licence with priority go-down space in APMCs.

BENEFITS/ PRIVILEGES TO THE FARMERS/ PRODUCERS/ MEMBERS

- The government is further incentivising FPOs by giving them trader licences in the agriculture produce market committee (APMC) markets that sell agriculture products in each district.
- The FPO can itself sell to consumers directly at these markets without going through any agents, as they are a group of farmers and not individuals.
- The FPOs also get priority storage space in all APMCs.
- FPO will get fertilisers and pesticides at cost and sell them to all of us shareholders, who have paid INR 1100 to join it, at cost.
- FPOs will also get all benefits and no taxes.
- There will be no intermediaries and FPOs can sell their products directly to the consumers or the company.

IMPORTANT WEBLINKS

List of FPOs in Karnataka
<http://sfacindia.com/PDFs/List-of-FPO%20identified-by-SFAC/List%20of%20FPOs%20in%20the%20State%20of%20Karnataka.pdf>

D4. Tamil Nadu

NAME OF THE PROGRAMME	Agriculture – Promotion of Collective Farming by organising small/marginal farmers into Farmers Interest Group (FIG)/Farmers Producer Group (FPG).
VISION	Bringing Corporate culture into the Farmer owned and managed FPOs.
SCOPE AND COVERAGE	<p>The Government of Tamil Nadu has launched an innovative programme for organizing small and marginal farmers into 'Farmer Producer Groups' which will be federated into 'Farmer Producer Organisations' to promote collective farming for credit mobilization, better adoption of technology and to facilitate effective forward and backward linkages.</p> <p>This scheme will be scaled up in the coming years to benefit 40 lakh farmers over the next five years. The project would be operated in Tamil Nadu covering all the Districts except Chennai.</p>
NODAL DEPARTMENT	Director of Agriculture is the nodal point with support of Director of Horticulture & Plantation Crops and Commissioner of Agricultural Marketing & Agri-Business.
PARTNERS	<p>Development of Humane Action (DHAN) Organization and Dr. Vadivelu, Dean (Retired), Tamil Nadu Agricultural University who have wide experience in formation of Farmers' Groups, shall be the consultants at the State level to handhold the entire FIG/FPG/FPO formation process.</p> <p>TANHODA – Tamil Nadu Horticulture Development Agency.</p>
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • National Vegetable Initiative for Urban Clusters (VIUC). • Mission for Integrated Development of Horticulture (MIDH). • National Food Security Mission (NFSM). • Rashtriya Krishi Vikas Yojana (RKVY). • The National Demonstration Project under the National Food Security Mission (NFSM). • Mission for Integrated Development of Horticulture (MIDH).
STATE FINANCED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • Tamil Nadu gives INR 100 cr push to support collective farming. • Each of the producers' groups have been given an investment grant of INR 5 lakh to purchase farm equipment. • The FPOs are eligible for financial assistance of INR 20 lakh over a period of two years under the provisions of the Small Farmers Agri-business Consortium. • The State government will also support these organisations access equity grant available under the SFAC.
SALIENT FEATURES	<ul style="list-style-type: none"> • Each Farmer Producer Group will be given a corpus fund of INR 5 lakh besides channelizing grants and credit available to Farmer Producer Organizations from NABARD and Small Farmer Agri Business Consortium. • The fund allocated for each Farmers Producer Group (FPG) INR 5.00 lakh would be released in three instalments as follows:

KEY INTERVENTIONS AS PER GUIDELINES	<ul style="list-style-type: none"> • Creation of an Institutional framework of Farmer Producer Groups. • Formation of 10,000 Farmers Interest Groups (FIGs). • Approval of District Collector and Registration of FIGs. • Formation of 2,000 Farmer Producer Groups (FPG) from FIG. • Implementation of Collective Farming by FPGs. • Methods to bring Economies of Scale. • Release of Corpus fund to FPG. • Hand holding support by State Government. • Preparation of Project Implementation Plan (PIP). • Execution of the PIP. • Monitoring and Evaluation Formation of Farmer Producer Organizations.
IMPORTANT WEBLINKS	<p>Tamil Nadu FPO promotion policy http://cms.tn.gov.in/sites/default/files/go/agri_e_ms_164_ap4_2017.pdf</p> <p>List of FPOs in Tamil Nadu http://sfacindia.com/PDFs/List-of-FPO%20identified-by-SFAC/List%20of%20FPOs%20in%20the%20State%20of%20Tamil%20NaduRevised.pdf</p>

D5. Punjab

NAME OF THE SCHEME:	Punjab FPO policy
VISION	To create and develop professionally run member-oriented Producers Organisations in Punjab that become the leaders in the national markets, which enables farmers to enhance productivity through efficient, cost effective and sustainable resource use and realize higher returns for their produce by creating, delivering and communicating values to the customers, through collective actions supported by Government, and fruitful collaboration with different stakeholders.
SCOPE AND COVERAGE	<p>The provisions of this policy will apply equally to FPOs already registered under either under Company Act or under Society Registration Act 1980 or under Central and State Cooperative laws as well as new FPOs deemed to register.</p> <p>It's a registered body administered by farmers and focus on activities in the agriculture and allied sectors.</p>
NODAL DEPARTMENT	Punjab Agri Export Corporation Limited (PAGREXO)
PARTNERS	<ul style="list-style-type: none"> (i) Department of Agriculture and Cooperation (ii) Department of Horticulture (iii) Punjab Agro Industries Corporation
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • Rashtriya Krishi Vikas Yojana (RKVY). • All central programmes and schemes.

FINANCIAL SUPPORT BY GOVERNMENT OF PUNJAB	<ul style="list-style-type: none"> • Formation and development of FPOs will be actively supported. • Financial resources already earmarked under Centrally Sponsored and State funded schemes shall be leveraged. • Make special budgetary provisions for FPOs. • Credit from various financial institutions– Banks/NABARD/Other sources at concessional rate of interest.
STATE FINANCED PROGRAMMES AND SCHEMES TO SUPPORT FPOS	<ul style="list-style-type: none"> • Direct tax subsidy as income tax exemptions shall be provided as per Gol norms upto 5 year for FPO with annual turnover of INR 100 crore. • Assistance for awareness and creation of FPOs. • Assistance for diagnostic study and business plans. • Assistance for soft interventions – Capacity building etc. • Assistance for hard intervention – infrastructure/common facility centre etc. • Govt shall extend investment capital and working capital grant to SNA.
SALIENT FEATURES	<ul style="list-style-type: none"> • State Nodal Agency (SNA) shall act as single window institution to FPOs facilitate linkage to investment, technology and market. • SNA to provide market intelligence, empanelment for hiring of auditors, monitoring and evaluation with back up services.
KEY INTERVENTIONS AS PER GUIDELINES	<ul style="list-style-type: none"> • FPOs can take up any component of the agri- value chain. • Licence to FPOs to be issued on priority to trade in inputs. • FPOs can take up producers of certified seeds, saplings and planting materials. • Production and Marketing subsidies shall be extended to FPO. • Direct sale of products at farm gate and facilitate contract farming. • Act as procurement agents for MSPs for PDS crops. • FPOs can offer financial and business services.
FINANCING INSTITUTIONS	<ol style="list-style-type: none"> a) Existing unit cost of National Policy and Guidelines for formation of FPO's issued by the Ministry of Agriculture, Govt of India will be adopted and funded by the state government from its own resources. b) Financial support to FPOs through NABARD and other Cooperative banks. c) SFAC to provide working capital and term loans without collaterals security to the extend to INR 10 lakh per FPO. d) Loans and grants from State govt shall be provisioned.
IMPORTANT WEBLINKS	<p>Punjab FPO promotion policy https://punjabhorticulture.com/wp-content/themes/twentyeleven/document/FPO.pdf List of FPOs in List of FPOs in Punjab http://sfacindia.com/PDFs/List-of-FPO%20identified-by-SFAC/List%20of%20FPOs%20in%20the%20State%20of%20Punjab.pdf</p>

D6. Kerala

NAME OF THE POLICY	Agriculture Development Policy, 2015 Govt of Kerala
VISION	The vision envisaged is to build a prosperous and sustainable agriculture sector by promoting and supporting member-owned producer Organisations, that enable farmers to enhance productivity through efficient, cost effective and sustainable resource use and realize higher returns for their produce, through collective action supported by the government, and fruitful collaboration with academia, research agencies, civil society and the private sector.
NODAL DEPARTMENT	Department of Agriculture Development and Farmers Welfare
PARTNERS	Creating a coalition of partners by the concerned promoter body, involving civil society institutions, research organisations, consultants, private sector players and any other entity which can contribute to the development of strong and viable producer owned FPOs.
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOS	<ul style="list-style-type: none"> The formation and development of FPOs will be actively encouraged and supported by the Central and State Governments and their agencies, using financial resources from various Centrally sponsored and State-funded schemes in the agriculture sector agencies.
SALIENT FEATURES	<ul style="list-style-type: none"> FPOs must be based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. The Government should make 'Hand Holding Support' to FPOs by taking policy decisions and providing expert management man power. The FPOs are to be designed in such a way as to provide 'end to end' services to its members. The FPOs may be developed as a development tool by using them as implementing agencies for various agricultural development programmes, especially RKVY, NFSM, ATMA etc. and extending the benefits of Central and State funded programmes in agriculture to members of FPOs on a preferential basis. The formation of FPOs are to be done in a scientifically organised basis so that sustainability of the same should be ensured.
KEY INTERVENTIONS AS PER GUIDELINES	<ul style="list-style-type: none"> The primary objective of mobilising farmers into member-owned producer organisations, or FPOs, is to enhance production, productivity and profitability of agriculturists, especially small farmers in the state. Mobilising farmers into groups of between 15-20 members at the village level (called Farmer Interest Groups or FIGs) and building up their associations to an appropriate federating point i.e. Farmer Producer Organisations (FPOs) so as to plan and implement product-specific cluster/commercial crop cycles. Strengthening farmer capacity through agricultural best practices for enhanced productivity. Ensuring access to and usage of quality inputs and services for intensive agriculture production and enhancing cluster competitiveness. Facilitating access to fair and remunerative markets including linking of producer groups to marketing opportunities through market aggregators. FPOs must be based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

FINANCING INSTITUTIONS	<p>The financial nearness to farmers may be assured by linking FPOs to financial institutions like cooperative banks, State Financial Corporations etc. for working capital, storage and processing infrastructure and other investments.</p> <p>The FPO will provide loans for crops, purchase of tractors, pump sets, construction of wells, laying of pipelines.</p>
MARKETING CHANNELS/TRADING PLATFORM	<ul style="list-style-type: none"> The FPO will do the direct marketing after procurement of agricultural produce. This will enable members to save in terms of time, transaction costs, weightment losses, distress sales, price fluctuations, transportation, quality maintenance etc. Networking Services: Making channels of information (e.g. about product specifications, market prices) and other business services accessible to rural producers; facilitating linkages with financial institutions, building linkages of producers, processors, traders and consumers, facilitating linkages with government programmes.
BENEFITS/ PRIVILEGES TO THE FARMERS/ PRODUCERS/ MEMBERS	<ul style="list-style-type: none"> The participant farmers will be given the necessary support to identify appropriate crops relevant to their context, provided access to modern technology through community-based processes including Farmer Field Schools; their capacities will be strengthened and they will be facilitated to access forward linkages with regard to technology for enhanced productivity, value addition of feasible products and market tieups. Insurance Services: The FPO will provide various insurance like Crop Insurance, Electric Motors Insurance and Life Insurance.
IMPORTANT WEBLINKS	<p>Agriculture Development Policy , Govt of Kerela https://kerala.gov.in/.../AGRICULTURAL%20DEVELOPMENT%20POLICY%202015</p>

D7. Andhra Pradesh

NAME OF THE POLICY	Rythu Kosam Andhra Pradesh Farmer Producer Organisations Promotion Policy –2016
VISION/GOAL	The overall goal of FPO initiative is to increase productivity, maximise profitability and realization of proper pricing through processing, market linkages, value addition and better knowledge system.
SCOPE AND COVERAGE	<p>The Government of Andhra Pradesh aspires to bring together 10 lakh farmers through 1,000 FPOs in the state with an objective to maintain a leadership position in India across the primary sector.</p> <p>The provisions of these guidelines will apply to existing FPOs already registered under the Mutually Aided Cooperative Societies (MACS) Act 1995, FPC under the Companies Act 2013 and under various central and state cooperative society laws and those FPOs/FPCs that will be registered subsequent to the issue of these policy guidelines.</p>
NODAL DEPARTMENT	Department of Agriculture and Cooperation, Govt of AP

PARTNERS	<ul style="list-style-type: none"> (i) Department of Agriculture and Cooperation; (ii) Department of Animal Husbandry; (iii) Commissionerate of Fisheries; (iv) Commissionerate of Horticulture; (v) Society for Elimination of Rural Poverty; (vi) AP State Cooperative Marketing Federation; (vii) Andhra Pradesh Food Processing Society; <p>ICRISAT-led consortium of organizations like Basix, Vrutti, WASSAN, etc FPO promoting NGOs Agriculture Technology and Management Agency (ATMA)</p>
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • Rashtriya Krishi Vikas Yojana (RKVY) • All central programmes and schemes
FINANCIAL SUPPORT BY GOVERNMENT OF ANDHRA PRADESH	<ul style="list-style-type: none"> • A. Following sources of funding will be provided to promote FPOs in Andhra Pradesh. <ul style="list-style-type: none"> • a. Existing funds from on-going schemes of various departments. • b. A special fund would be created by the Government of Andhra Pradesh. • c. Credit from various financial institutions– Banks/NABARD/Other sources. • • B. Innovation Fund: It is proposed to create “innovation fund” for strengthening this agenda. This fund would be used for taking up any innovation, pilot and experiment that has potential to strengthen the agenda of FPOs/FPCs. <ul style="list-style-type: none"> • • C. Creation of a flexi fund for innovation.
STATE FINANCED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> • Government of Andhra Pradesh has initiated ‘Smart Agribusiness Platforms Network of Andhra Pradesh (SAPNAP)’ through Andhra Pradesh Food Processing Society which will be looking at Agribusiness Development enabling ecosystem and address the areas of start-ups, enterprise development, value chain development through creation Smart Agribusiness Incubators at District level and Smart Agribusiness Value Chains Development at cluster level.
KEY INTERVENTIONS AS PER GUIDELINES	<ul style="list-style-type: none"> • Improving productivity through improved extension services; • Use of appropriate technology and knowledge systems; • Creating infrastructure facilities for improved efficiency in pre and post-harvest production systems; • Reduce cost of production; • Creating business opportunities that generate higher incomes.
SUPPORT AGENCIES:	<ul style="list-style-type: none"> • Project Director ATMA coordinate training and capacity building of FPO's/FPC's at the district level and also provides assistance for monitoring and evaluation.
FINANCING INSTITUTIONS	<ol style="list-style-type: none"> 1. FPO's promotion <ol style="list-style-type: none"> a) Existing unit cost of National Policy and Guidelines for formation of FPO's issued by the Ministry of Agriculture, Govt of India will be adopted and funded by the state government from its own resources b) Provision of assistance to the FPO's/FPC's for production, pre and post-harvest infrastructure c) Administrative cost for Planning, monitoring and evaluation (Advisory Board, PMU and DPMU) shall be funded from the state resources as per guidelines in GO.Ms. No 89 dt 16.07.2015.

BENEFITS/ PRIVILEGES TO THE FARMERS/ PRODUCERS/ MEMBERS	Increasing benefits to the members (enhancing income through technology and knowledge infusion, higher productivity and business services like input distribution, output marketing, value addition, accounts management and administration/others) is the fundamental requirement/purpose for establishing FPOs/FPCs.
IMPORTANT WEBLINKS	Andhra Pradesh FPO promotion policy http://oar.icrisat.org/9871/1/2016-Aug-06-AP%20state-%20FPO%20policy%20and%20guidelines.pdf List of FPOs in AP http://sfacindia.com/PDFs/List-of-FPO%20identified-by-SFAC/List%20of%20FPOs%20in%20the%20State%20of%20Andhra%20Pradesh.pdf

D8. Madhya Pradesh

NAME AND YEAR OF ESTABLISHMENT	Madhya Bharat Consortium of Farmer Producers company limited (MBCFPCL) is a state level conglomerate of farmer Producer company (FPC). Established in September, 2014
VISION	Transforming agriculture of more than 1 million small & marginal farmers of Madhya Pradesh by 2025 from means of subsistence to profitable livelihood enterprises through promotion of collectivization, branding and better positioning in the supply/value chain"
OBJECTIVE	To create an umbrella support to member FPOs particularly on market, financial linkages, brand development, value adding, agri extension, insurance and leverage & transfer the benefits of the economy of scale
SCOPE AND COVERAGE	Established in 2014, MBCFPCL is a state federation of farmer's producers companies of Madhya Pradesh working through networks of 102 farmer's producers companies and 53 cooperatives and covering more than 2.24 lakh farmers of 43 Districts of Madhya Pradesh. This organization is promoted by Small Farmers Agribusiness Consortium (SFAC) Ministry of Agriculture & Cooperation, Gol New Delhi with the help of Rabo Bank Foundation, Department Farmers Welfare & Agriculture Development, Govt of Madhya Pradesh and some reputed Development Organizations.
NODAL AGENCY	Madhya Bharat Consortium of Farmers Producer Company Limited
PARTNERS – SUPPORT AGENCIES	Govt. Organisations e.g. Small farmers Agribusiness Consortium (SFAC), Ministry of Agriculture, Government of India, New Delhi, Department of Farmer Welfare and Agricultural Development, Govt of M.P, M.P. State Rural Livelihood Mission (MPSRLM), Ministry of Rural Development Govt of M.P. NABARD, Social Development Organizations mainly Rabo Bank Foundation, ASA, Vrutti, ADS, IGS, MCM, IFFDC, CARD and NIWCYD etc
CENTRALLY SPONSORED PROGRAMMES AND SCHEMES TO SUPPORT FPOs	<ul style="list-style-type: none"> Equity Grant and Credit Guarantee Funds: The successful FPOs will be eligible for Equity Grant and Credit Guarantee Fund Schemes of Govt. of India. Infrastructure Development Funds Mobilized for FPOs Development of grading, processing, storage, marketing and Farm machineries custom hire facilities under RKVY

CROPS DEALT	<ul style="list-style-type: none"> Wheat (including M.P Sharbati and Durum both), Gram (Kabuli, dollar & Kanta), Pigeon Pea, Lentil, Black Gram, Green Gram, Soybean (RTRS), Cotton (Including Better Cotton) & Maize (Yellow Bold) Poultry Preferred Maize, Rice (Organic and RCI), Small Millets (Kodo Kutki), Niger, Mustard, Linseed , Spices- Coriander, Chilli and turmeric , Vegetables – Onion, Garlic, Tomato and Ginger
KEY INTERVENTIONS AS PER GUIDELINES	<ul style="list-style-type: none"> Improving productivity through improved extension services; Use of appropriate technology and knowledge systems; Creating infrastructure facilities for improved efficiency in pre and post-harvest production systems; Reduce cost of production; Creating business opportunities that generate higher incomes.
OTHER SUPPORTS PROVIDED TO FPOs	<ul style="list-style-type: none"> Support to FPOS for MIS management, business management support & compliances of all statutory requirements as per norms, <p>Capacity building support:</p> <ul style="list-style-type: none"> Trainings to the functionaries of MBCFPCL and BoDs of members of FPOs – On Governance & accounting system, inventory & business management. One Inter-state and two within state exposure visits organized for the BoDs & functionaries of the member FPOS
BENEFITS/ PRIVILEGES TO THE FARMERS/ PRODUCERS/ MEMBERS	<ul style="list-style-type: none"> Aggregation, storage, primary processing & trading of farm produces Support for production & marketing of seeds in partnership with member FPOs, Backward integration for agriculture inputs to member FPOs for sustainable farming Extending linkages for financial services Promotion of farm mechanisation & custom hire centres & niches based processing & value addition Per qtl additional price realized by farmers ranged from 100-300/Qtl and benefits ranged between INR 2500-15000
IMPORTANT WEBLINKS	<p>List of FPOs in Madhya Pradesh http://sfacindia.com/PDFs/List-of-FPO%20identified-by-SFAC/List%20of%20FPOs%20in%20the%20State%20of%20MadhyaPradesh14-4-2015.pdf</p>

D9. Maharashtra

PROJECT NAME	Project on Climate Resilient Agriculture (PoCRA)
PROJECT COMPONENTS	<p>This project has four components.</p> <ol style="list-style-type: none"> 1) Promoting Climate-resilient Agricultural Systems, aims to strengthen the adaptive capacity of smallholder farmers to adjust and modify their production systems to moderate potential future impacts from climate events. 2) Post-harvest Management and Value Chain Promotion, aims to support the participation of smallholder farmers in Farmer Producer Organizations (FPOs) and integration of these FPOs in value chains for crops relevant to the climate agenda, and to strengthen the supply chain for climate-resilient crop varieties in the project area. 3) Institutional Development, Knowledge and Policies for a Climate resilient Agriculture, aims to enhance the transformative capacity of institutions and stakeholders to promote and pursue a more climate resilient agriculture, with sector strategies and policies based on strong analytical underpinnings and cutting-edge climate, water and crop modelling. 4) Project Management, covers the activities of the Project Management Unit (PMU) set up by the GoM during the project preparation phase
	Implemented in 8 districts of Marathwada (Aurangabad, Nanded, Latur, Parbhani, Jalna, Beed, Hingoli, Osmanabad), 6 districts of Vidarbha (Akola, Amravati, Buldana, Yavatmal, Washim, Wardha) and Jalgaon district of Nashik Division
FPO FOCUS AREAS UNDER THE PROJECT	<ol style="list-style-type: none"> 1. Strengthening Farmer Producer Companies: Build on the initiatives of GoM about FPCs as the agents of change. Project to support the existing FIG/FPO/FPCs through activities tailored to the growth potential of existing FPCs. 2. Work with emerging FPO/FPCs and the Maharashtra State Seed Corporation (Mahabeej) to promote production of such seeds and creation of seed hubs. 3. All existing FPOs/FPCs/FIGs/SHGs in the project area are encouraged to participate in the project to take forward the project objectives of enhancing farmers profitability through a collective approach. 4. Project to intervene in the existing FIG/FPOs/FPCS in the clusters who are at least 2-3 years in operation 5. Buyer-Seller Meet as part of the professionalizing of FPOs 6. Existing FPOs to be strengthened and encouraged to actively participate in value chain development of selected crops like Cotton, Chick Pea, Pigeon Pea, Soya bean, Rabi Sorghum, Capsicum, Mango, Guava, Custard apple and Citrus. 7. Seed Hubs shall be developed at cluster level. Seed Hubs shall cover the range of operations like seed production, seed processing, storage and certification. Support would be extended to Farmer Producer Companies (FPCs), Farmer Producer Organizer (FPO), Farmers Interest group (FIGs) for establishment of various components of seed hub, creation of seed processing unit, creation of storage unit and certification including branding. 8. Custom Hiring Centers shall be established at cluster level to promote farm mechanization for coping up with climate variability in the project area. Farmer producer Companies along with FIGs and SHGs shall be encouraged to establish such Custom Hiring Centres for the benefit of the farmers in the project area.
FINANCIAL SUPPORT	Help the FPOs to access, debt, equity contribution and matching grant in helping them building a good governance practice for which it would provide a coaching support. Assistance to be given to FPOs/FPCs/FIGs who submit a bankable proposal

PROJECT NAME	Project on Climate Resilient Agriculture (PoCRA)
TYPES OF SERVICES	The FIG/FPOs/FPCs to offer a variety of services to its members. Effort would be made to cover almost all aspects of cultivation (from inputs, technical services to processing and marketing). The FPO will facilitate linkages between farmers, processors, traders and retailers to coordinate supply and demand; and to access key business development services such as market information and intelligence, input supplies, and transport services.
OTHER PROJECTS TO SUPPORT FPOs	The formation of FPCs got a major boost in Maharashtra under the Maharashtra Agricultural Competitiveness Project (MACP). The project is supported by World Bank and executed by the Department of Cooperation and Marketing, with implementation support from the Maharashtra State Agriculture Marketing Board (MSAMB), Agricultural Technology Management Agency (ATMA), Departments of Agriculture, Animal Husbandry, and private service providers

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