

Components of Presentation

Introductory

Institutional Mechanism

Financial Empowerment to FPOs

Skill and Capacity Building

Integrated Portal

Miscellaneous

Role of DMI

Scheme for Farmer Producer Organizations (FPOs)

- Scheme is primarily on produce cluster based approach
- Scheme will be focused on the concept of "One District One Product" to promote formation of value chain, processing and export.
- Based geography, production and cropping patter, product mix will also be promoted to ensure sustainable income and farm employment.
- Minimum number of members to be 300 in plan area, while 100 in North-East and Hilly areas. DAC&FW may review and change the minimum membership criteria
- FPOs will be registered either under Companies Act or any State Cooperative Societies Act as decided by Members of FPO
- 15 % of the targeted FPOs are to be formed in **Aspirational Districts** & formation of FPOs is to be prioritized in **notified Tribal areas**.

Implementing Agency

SFAC

NABARD

NCDC

- State Govts. Can nominate their Implementing Agencies in consultation with DAC&FW
- DAC&FW based on felt need can designate additional Implementing Agencies also

Institutional Mechanism in the Scheme

Institutional Structure

Experienced and Professionally equipped
Implementation structure

3-tiered Monitoring and Coordination
Structure

Implementing Agencies (IAs)-NABARD, SFAC,
NCDC

□ National Project Management Agency (NPMA)-

• With a team 5 specialists in Agriculture/Horticulture Marketing & Processing Incubation Service Provider, IT/MIS and Law & Accountancy

✓ To provide overall project guidance

✓ To provide overall help in effective implementation

✓ To maintain data and integrated portal

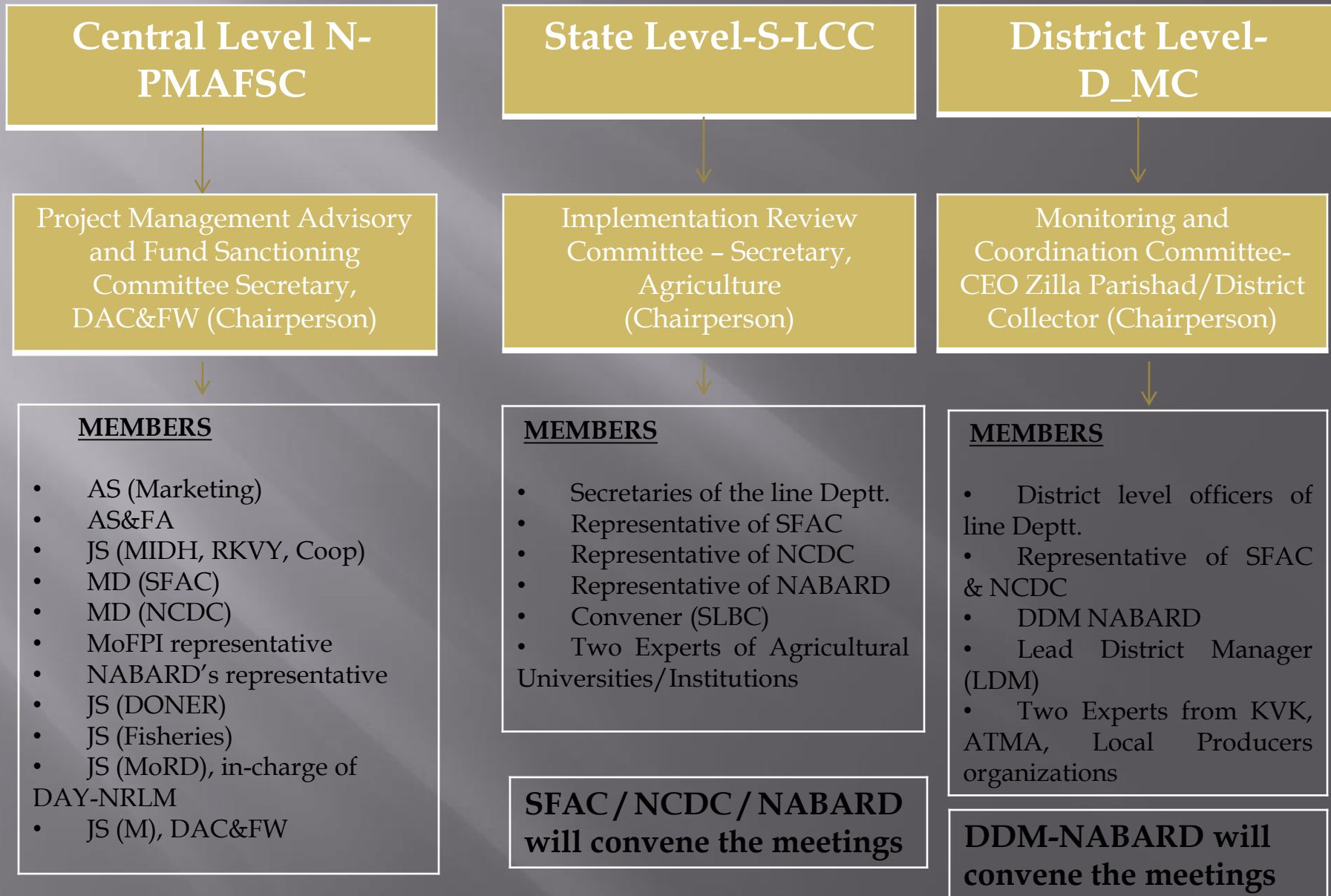
□ Cluster Based Business Organizations (CBBOs)-

• To be set up by IAS the state/cluster level

• To be equipped with 5 categories of specialists viz (i) Crop husbandry; (ii) Agri. Marketing Value addition and processing; (iii) Social mobilization; (iv) Law and accounts; and (v) IT/MIS

• CBBO is a professional agency for end to end hand holding (baseline survey, identification of cluster, mobilization of farmers, formation of FPOs, registration, preparation and execution of business plan, facilitating market and credit linkages).

Three Tier System of Monitoring & Coordination



Financial Empowerment to FPOs

□ Equity Grant (EG)

• Objective:

(i) Enhance viability and sustainability of FPOs; (ii) Increase credit worthiness of FPOs (iii) Enhance shareholding of members to increase their ownership and participation in their FPO,

- There shall be EG in the form of matching grant upto Rs. 2,000 per farmer member subject to maximum limit of Rs. 15.00 lakh per FPO
- The FPO shall be allowed to draw the EG in a maximum of three (3) tranches (within a period of 4 years of the first application and within the handholding period of CBBO).

Financial Empowerment Contd. -----

□ Setting up of Credit Guarantee Fund (CGF)

• Objective -

- To enable to ELIs to provide collateral free credit to FPOs by minimizing their lending risks in respect of loans.

• Corpus of CGF:

- A dedicated Fund of up to Rs. 1,500 crore will be created as CGF.
- Upto Rs. 1,000 crore with NABARD and the rest of up to Rs. 500 crore with NCDC.
- DAC&FW will annually contribute on matching share basis to CGF created.
- The credit guarantee cover per FPO will be limited to the project loan of Rs.2 crore.
 - In case of project loan up to Rs. 1 crore, credit guarantee cover will be 85% of bankable project loan with ceiling of Rs. 85 lakh;
 - In case of project loan above Rs. 1 crore and up to Rs. 2 crore, credit guarantee cover will be 75% of bankable project loan with a maximum ceiling of Rs. 150 lakh.

Training and Capacity Building

- Bankers Institute of Rural Development (**BIRD**), **Lucknow** is central Nodal Training Institution for FPOs promoted by NABARD and SFAC and other allowed/designated IAS whether incorporated under Part IX A of Companies Act or registered under Co-operative Societies Act.
- Laxmanrao Imandar National Academy for Co-operative Research & Development (LINAC), Gurugram is central Nodal Training Institution at central level for FPOs registered under Co-operative Societies Act and promoted by NCDC.
- Above two central Nodal Training Institution will work in partnership with other reputed national and regional organizations including KVK.
- Central Nodal Training Institutes will prepare annual training schedule and training module also.

Integrated Portal

- There shall be an "Integrated Portal" with two components-
 - ✓ e-Market place functioning as digital platform for business transaction; and
 - ✓ MIS to cater the data needs of stakeholders.
- **Functions of Integrated portal-**
 - ✓ Provide information about the details of FPOs price with its quality ready for sale
 - ✓ Provide details of availability of quality inputs with price and also the details of custom hiring facility with rate.
 - ✓ Provide detailed information about formation of FPOs, its registration, location, major business activity, profitability status and all other related information FPO-wise.
 - ✓ Provide window to highlight the problems being encountered in any stage of formation and promotion of FPOs and quick response by respective agency to resolve the problem.

Miscellaneous

- Corporate bodies (Agri-Value Chain Industry) forming and promoting FPOs through cluster based approaches without going through CBBOs is to be encouraged through providing financial support under the scheme.
- In case at least 60% of the produce of members of such FPOs is ensured with appropriate processing & assured marketing linkages.
- Ongoing schemes of Government will be used in convergence to enhance the cost effectiveness of FPOs.
- Agricultural Marketing Infrastructure (AMI) Sub-Scheme (ISAM) will also be converged and an FPO willing to develop post-harvest management and marketing infrastructure can avail assistance there under.
- States can avail assistance for development of marketing and farm level value addition infrastructure/facilities for FPOs for marketing and supply chain etc. under Agricultural Marketing Infrastructure Fund (AMIF) approved for creation in NABARD.
- States can top up and additionally supplement the activities of FPOs from their own fund for activities and infrastructure not covered under GoI Scheme.
- Government may prioritize FPOs to undertake procurement operation on Minimum Support Price.

Role of DMI

- To assist N-PMAFSC and DAC&FW in policy formulation, coordination and monitoring of scheme.
- To provide secretarial services to N-PMAFSC
- In-charges of ROs/SOs have to play critical with State level Committee (SLCC). They can be invited in its meeting as special invitee.
- DAC&FW can utilize the services of DMI for effective and on-ground monitoring of the scheme.
- Recent Role to pursuance with States in constitution of SLCC and D-MC.
 - Progress: 14 States constituted- Assam(only SLCC), Gujarat, Karnataka, Madhya Pradesh, Odisha, Telangana, Uttar Pradesh, Haryana, Jammu & Kashmir, Ladakh, Kerala, Manipur, Nagaland, Karnataka
 - DDMs list made available please pursue with them to ensure that at least one meeting of D-MC is held before 15th August, 2020

Thank You