



FPO NEWSLETTER

VOLUME 1, FIRST QUARTER '22

Publication initiated by Small Farmers Agribusiness Consortium for Central Sector Scheme



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EXCERPTS FROM MD'S DESK

Smt. Neelkamal Darbari, IAS



*I firmly believe that Agricultural sector plays a strategic role in the process of economic development of every country. With a Vision of empowering Nation by Promoting Agri-Businesses via encouraging institutional and private sector investments and linkages to ensure the empowerment of farmers fraternity in the country., SFAC has been designated as Nodal Agency for implementation of **Central Sector Scheme - Formation & Promotion of 10,000 FPOs** in India. SFAC is pioneer in organizing small and marginal farmers as Farmers Interest Groups, Farmers Producers Organization and Farmers Producers Company for endowing them with bargaining power and economies of scale.*

The Newsletter will provide a neutral and independent interactive platform for knowledge and experience exchange on agricultural trade practices under this FPO program. I am sure that this initiative will trigger knowledge & know how about the cumulative efforts made by all the stakeholders together under the scheme.

"OUR ULTIMATE AIM SHOULD BE PROGRESSIVE SUSTAINABLE BUSINESS MODELS LEADING GENERATING AUGMENTED INCOMES OF FARMERS UNDER THIS SCHEME"

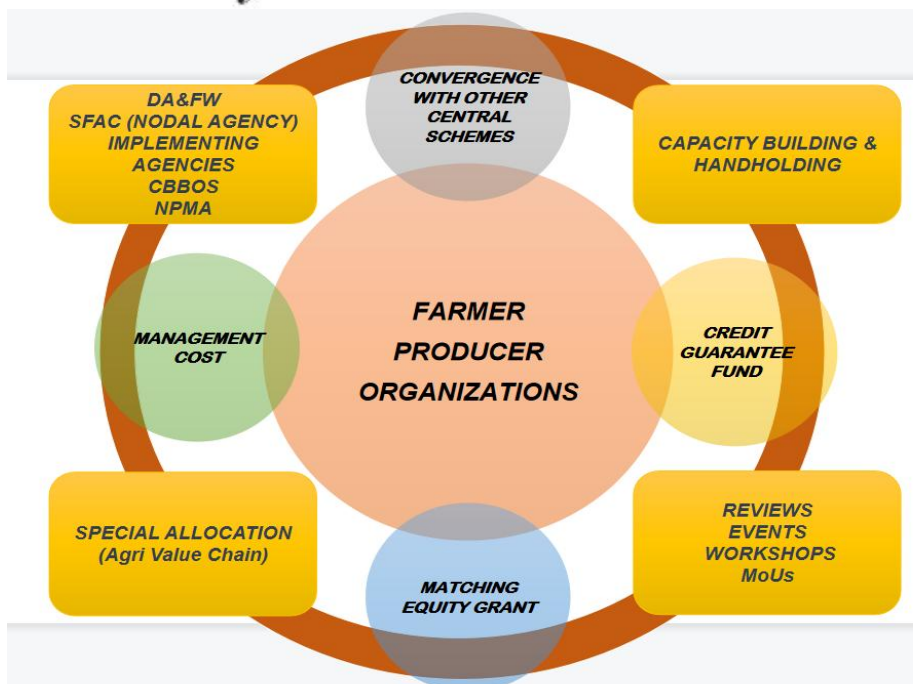
Central sector scheme for "Formation & Promotion of 10,000 Farmer Producer Organizations (FPOs)"

In order to provide holistic & broad based supportive system to form new 10,000 FPOs in country, a Central Sector Scheme by DoA&FW was launched by Hon'ble PM in Feb 2020. The CSS is moderated by a Nodal Agency (SFAC) along with 13 Implementing agencies & Multiple Cluster based Business Organizations across. Out of allocated 4965 Blocks across the country; 2215 FPOs have been registered till date. In order to amplify on ground execution part, GoI has started promoting Private Partners for their in Agri Value Chain under Special Category Block Allocation program. Memorandum of Understanding (MoUs) have been promoted & executed with Private Market players to support, handhold and strengthen FPOs in terms of their Capacity building & Business

acceleration needs in the related field. Periodic update is taken by NPMA from all the implementing agencies regarding the complete coverage of Scheme Implementation part for data repository purposes. The amplified data is being used to figure out gaps & needs to CBBOs/FPOs & the same is appraised to Nodal agency & MoA&FW for necessary actions. Website creation is in process for the ease of data reporting, as well as for the friendly access to end user. CBBOs Performance assessment has been started for identifying the impact of work being done. IAs have been requested to fasten up this task, for improvising the block allocation matrix.



FPO Ecosystem



SCHEME PROGRESS @ A GLANCE

BLOCKS ALLOCATED
-4966

FPOS FORMED
-2362

FPOS IN PLAINS
-1965

FPOS IN HILLS
-397

FARMERS MOBILIZED
-5,75,744

SHAREHOLDER FARMERS
-2,90,857

IMPLEMENTING AGENCIES
- 13

CBBOS
-261

WOMEN FOCUSED FPOS
-199



NANO UREA - A step towards Atmanirbhar Bharat

Nanotechnology is certainly the future for Precision and Sustainable Agriculture & offers great potential to tailor fertilizer production with the desired chemical composition, improve the nutrient use efficiency that may reduce environmental impact, and boost the plant productivity.

WHAT IT IS

Nano Urea is a sustainable option for farmers towards smart agriculture and combat climate change. It is a nanotechnology based revolutionary Agri-input which provides nitrogen to plants. It fulfills the plant nutrient requirement as a fertilizer since Nano urea is bio available to plants because of its desirable particle size about 20-50 nm and more surface area (10,000 times over 1 mm urea prill). It meets all the current national and international guidelines related to nanotechnology or nano scale Agri-inputs. With inclusion of nano- fertilizers such as Nano Urea in schedule VII of FCO 1985, its production has been undertaken by IFFCO so that farmers can ultimately benefit from the boon of nanotechnology.

Surely a right step in the direction of self-reliance in terms of 'ATMANIRBHAR BHARAT' and 'ATMANIRBHAR KRISHI' because of Nano fertilizers

BENEFITS

Higher Crop Yield: Due to enhanced chlorophyll and photosynthesis and increase in root biomass and number of effective tillers /branches, increase in Average Yield up to 8% have been recorded as per 11,000 field trials conducted across India during 2019-20

Increase in Farmers' income: Reduction in Input Cost & Higher Crop Yield leads to increment in Farmers' income. Average increase in income of Rs 2k- 4k per acre have been registered as per Farmer Field trials

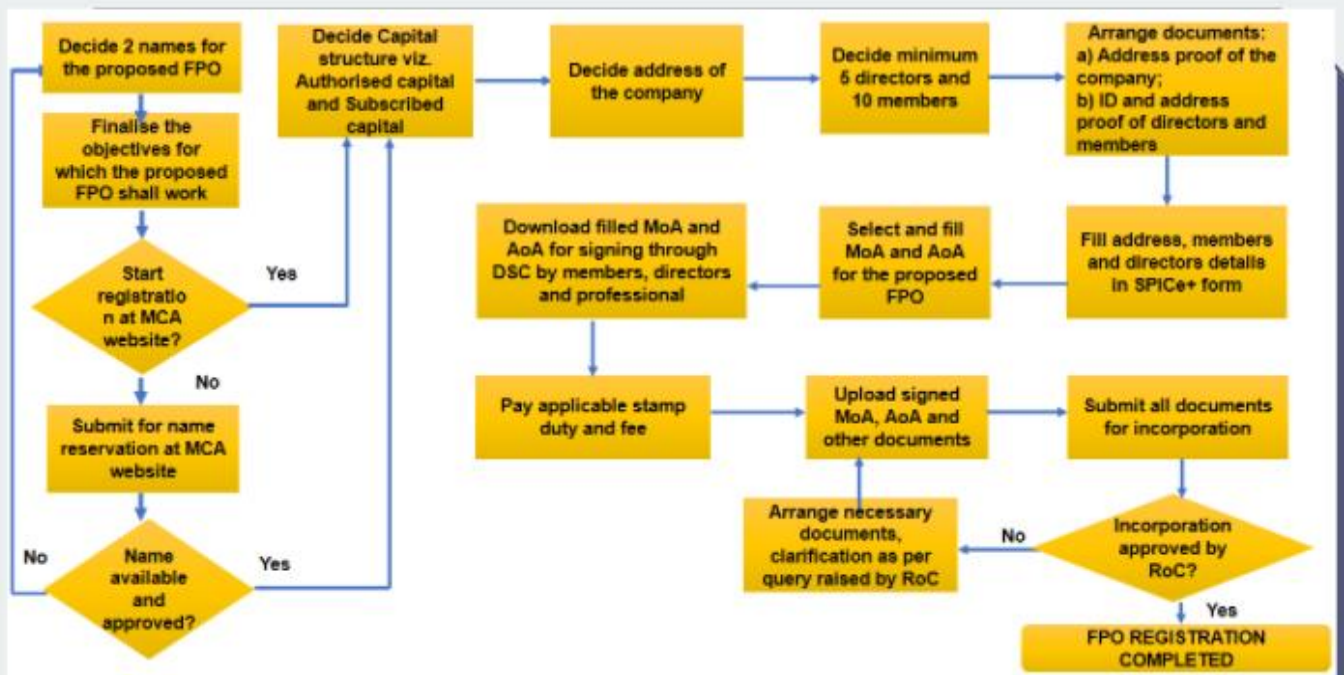
Better Quality Produce: Nutritional quality of harvested produce is better in terms of protein and nutrient content.

Reduced Chemical Fertilizer usage: Enhanced use efficiency of one bottle (500 ml) of IFFCO Nano Urea can potentially replace at least 1 bag of conventional urea. Reduces excess application of bulk urea and associated volatilization as well as leaching and run off losses

Transport friendly: Farmers can easily carry bottles of Nano Urea physically over bulky Urea bags



FPC Registration is now 'EASIER'



Pre-Requisites

- Pre-decide Name of the company
- Number of members required: Minimum 10
- Number of directors required: Minimum 5
- Office address of the proposed FPO
- Share capital of the company

NOTE :- Application for reservation of name and incorporation can be made through web form SPICe+ available at MCA portal

Donts

- FPO Name(s) resembling too nearly with name of any existing company.
- Undesirable Names (like embassy/ consulate/ LLP/ Trust/ Sehkar/ GmbH/ Offensive/ Chit fund or leasing or financing/ Trade Marks Act etc.
- Word or Expression which can be used only after obtaining previous approval of Central Government (eg- National, Rashtriya etc)

Documents required

- Memorandum of Association (e-MoA)
- Articles of Association (e-AoA)
- Declaration by the first director(s) and subscriber(s) (Affidavit not required)
- Proof of office address (such as Copy of utility bills or NOC from owner and person whose name mentioned in utility bill)
- A resolution passed by promoter company (Applicable if name a body corporate is promoter)
- The interest of first director(s) in other entities
- Proof of identity as well as the residential address of subscribers
- Proof of identity as well as residential address of the nominee



Events / Workshops / Reviews / MOUs

Equity Grant Release - PM Event

Dated : 1st Jan 2022



A virtual event for the release of first installment of "Matching Equity Grant" under the Central Sector Scheme of Formation & Promotion of 10000 FPOs, was organized on 1st January'22 and was inaugurated by our Hon'ble PM.

The virtual event was attended by nine chief ministers, several ministers from different states, and representatives of agricultural institutions & PMUs.

Hon'ble PM released an equity grant to multiple farmer producer organizations that further benefited lakhs of shareholder farmers.

6 outperforming FPOs making difference in multiple field of Agri businesses, were selected to interact directly with Hon'ble PM and shared their success stories

No. of FPOs applied
-351

Total shareholder farmers
- 124000

MATCHING Equity released
-14 Crore

Zonal Review Meets- East, South & West

Dated : 18th Nov'21 (E) / 19th Jan'22 (S) / 20th Jan'22 (W)



Phygital events for the Review of Central Sector Scheme for the Formation & Promotion of FPOs were held

& Chaired by Joint Secretary- Marketing & Planning MoA&FW; Ms Vjijayalaxmi Nadendla, IAS. During the meeting, ground reality & actual implementing bottlenecks were discussed. APMAS presented & suggested the ideal practices & improvisations aspects for operational guidelines

In presence of other IA DO letters were issued to officials , CBBOs; meeting lagging Implementing was steered & presented by Agencies, State level officials NPMA officials

MoU with Confederation of NGOs of Rural India

"Strengthening Value Chain by providing Training and Knowledge dissemination to FPOs and other Stakeholders involved in FPO ecosystem"



LIASONING ASPECTS

CNRI shall collaborate in the areas of Strengthening Value chain by way of training, education and other knowledge dissemination activities covering the following

- Research and Consultancy
- Exchange information and expertise

MoU with ITC LIMITED (ABD)

"To promote the formation of 100 FPOs in the catchment area of its existing e-Choupal network and farmer network in 8 selected states of the country"



LIASONING ASPECTS

ITC intends to connect with the FPOs and farmers for various relevant services through its e-Choupal network platform. 50 Blocks have been allocated to ITC under Special Category - Agri Value Chain

- Input supply
- Research and Consultancy
- Crop advisory & Credit linkages
- Market linkages
- Exchange information and expertise

MoU with NURTURE AGTECH PVT LTD

"Evolving FPOs under CSS by Digitizing Agri Value Chain through apex level end to end advisory dissemination"

LIASONING ASPECTS

- Weather advisory, recommendation of agricultural products, crop models, package of practices.
- Mechanization services for Soil testing & harvesting.
- Financial inclusion of farmers for health & crop insurance.
- Helping farmers with PHM & Market linkage opportunities;
- Call Centre operation for Digitizing Agri Value Chain



MoU with SAMUNNATI AGRO SOLUTIONS PVT LTD

"Increasing on-ground convergence & penetration of the Schemes to target beneficiaries by catalyzing end-to-end process of FPO Formation & promotion"

LIASONING ASPECTS

- Leverage strong network of farmer collectives to increase FPOs under CSS
- Facilitates sanction of Working Capital loans to FPOs



MoU with INVEST INDIA

"Promoting investments & ease of doing business in Agriculture and allied sectors by providing multiple opportunities to Farmer Producer Organizations"

LIASONING ASPECTS

- Market Access to FPOs
- Ease in Financing
- Technology inclusion in Value Chain
- Helping farmers with GAPs



BUZZ AROUND



KISAN DRONES

In 2022 Budget speech, Finance Minister highlighted the government's resolve to promote Kisan drones. DoA&FW has already amended its policy to include drone subsidy proposals — so that FPOs can receive a grant of up to 75% of the cost of an agriculture drone. Kisan drones will be used for crop assessment, digitization of land records and spraying of insecticides and nutrients. Many Agri Input organizations like Bayer, Tata Rallis etc have started conducting trials of Drone usage for strengthening Farm mechanization in Agriculture industry.

"POTENTIAL LINKED CREDIT PLAN" BY NABARD

NABARD prepares a potential linked credit plan annually for each district through a consultative process for credit planning and dispensation for priority sector activities. West Bengal is one the priority state for the CSS of Formation & Promotion of FPOs; bank has estimated a credit target of Rs 2.47 lakh crore for priority sector lending in West Bengal during 2022-23, around 11.80 per cent higher than Rs 2.21 lakh crore in the current fiscal. In the credit potential, the share of the agriculture sector, including Agri-infrastructure and ancillary activities in the credit assessment, was estimated at 39.32 per cent.



SFAC MOUs : Strengthening FPO Program

For the development of sustainable financing mechanism for FPOs, SFAC has been regularly involved in inking MoUs with multiple Financing Organizations. Arrangements have been made with Band Of Baroda, SBI & Federal Bank. Apart from this, under PPP working model, MoUs have been signed with multiple Private players for Capacity building program. ITC, Nurture Agritech & Samunnati will be the ones promoting FPO program under Central Sector Scheme

Organic Outlet by Neel Phool FPC

First Organic outlet of Jharkhand was opened in Ranchi on 22nd February 2022 by Neel Phool FPC under Implementing Agency - SFAC. The CBBO spearheading this FPC is Price Waterhouse Coopers. This organic outlet will serve fresh fruits and vegetables, cereals, pulses, edible oils and is currently offering a range of 35 products altogether. The place for this outlet has been provided by the Department of Agriculture, Animal Husbandry and Co-operative in Krishi Bhawan Jharkhand





TRIUMPH



SUCCESS
STORIES

FPO - BHUBAN FARMERS PRODUCER COMPANY LIMITED

IMPLEMENTING AGENCY - SFAC

CBBO - BASIX Krishi Samruddhi Limited

BLOCK - Bhuban (Odisha)

KEY AREA - Frontend Market Linkages / Arbitrager

During lockdown many collection agents stopped their activities due to uncertainty in market. Watermelon & Pumpkin are grown by many farmers members of BFPCL. Harvest is supplied to nearby smaller towns. After lockdown, the number of buyers were decreased gradually. There was no buyer after April 21. FPO successfully handled marketing of 6,500 kg of watermelon. Also catered to the shortage of spices like garlic and zinger in local market from other market. FPO also helped farmers of nearby block by selling their pumpkin of 2,500 kg. The FPO has marketed 9.3 ton of produce worth of Rs.1.2 lakh with a profit margin of Rs. 25 thousand in last 20 days. Now the FPO is planning to continue marketing of different produces along with opening of retail outlets.



FPO- BHARATPUR HONEY FED KISAN PRODUCER COMPANY LIMITED

IMPLEMENTING AGENCY - NAFED

CBBO - Indian Society of Agribusiness Professional (ISAP)

BLOCK - Bharatpur (Rajsthan)

KEY AREA - Honey FPO/ Market Linkages & Brand Building

Currently, 300 farmers have been mobilized from 105 villages in 10 blocks of Bharatpur districts. FPO is aggregating produce and selling it to local traders by establishing 6 Collection centers. Efforts have been made to secure some deals with big Market players like Dabur, Patanjali etc. FPO members have been immensely trained on production and packaging aspects of Honey. FPO is planning to launch its brand very soon. It intends to sell its product through online platforms like Amazon, Flipkart. These companies also have ambitious plan for creating stores for FPOs on their online platforms.



FPO - PKV SABARKANTHA SPNF PRODUCER COMPANY LIMITED

IMPLEMENTING AGENCY - GAICL

CBBO - GAICL

BLOCK - SABARANTHA(Gujrat)

KEY AREA - Natural Farming

FPO has succeeded to join hand with 329 farmers, and started practicing Natural Farming, Sorting, Cleaning and Packaging of grains and pulses, Processing of Banana. Earlier all the farmers were selling their natural produce in the open market. After registration of FPO, group decided to create and check response of consumers for its own market by selling all the natural produce together in a group with basic packaging and information. Many farmers started producing bananas and selling them in open market. Now we have collaborated them with small food processing industries so they can get better returns for their produce by Branding the product



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