

A case study
on
Paddy Procurement Process
Undertaken by
FPOs in West Bengal

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Submitted To :



Small Farmers' Agribusiness Consortium

Submitted by :



BASIX
Equity for Equity

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Background: Farmer Producer Organizations (FPOs) of West Bengal were demanding for last 3 years to allow them to procure paddy from their farmer members at Minimum Support Price (MSP) and to supply Government. Resource Institutions (RIs) were highlighting this demand in every state level meeting. Small Farmers' Agribusiness Consortium (SFAC) facilitated to issue some circulars from Government of India to consider FPO at par with Cooperative Society to give various benefits meant for Cooperative Society (availing fertilizer from IFFCO, various government schemes, subsidies etc). Various departments of Government of West Bengal gradually involved FPOs to implement different schemes like Agriculture Department – Soil sample collection, facilitation of KCC application, crop insurance etc; Agriculture Marketing Department – Work Order to conduct Block level Kisan Mela, District level Kisan Mela, Beneficiary selection for various schemes; Horticulture Department - Beneficiary selection for various schemes like kharif onion cultivation, flower cultivation, seed procurement etc. ***Finally Food and Supplies Department has included FPOs for paddy procurement at MSP through its Custom Milled Rice Agency (CMRA).*** At present West Bengal Essential Commodities Supply Corporation Ltd (WBECS) is acting as CMRA to engage FPOs to procure paddy. The current procurement program is for Kharif Marketing Season (KMS) 2019-20.

Paddy Procurement Process: FPO has to provide required documents, contact details of authorized person and a fee of Rs.1,000 to CMRA (WBECS) for the registration process of FPO. A tripartite agreement is to be completed among FPO, CMRA and authorized Rice Mill. The District Procurement Manager (DPM) of WBECS facilitates the process at district level office. Meanwhile FPO has to install a software namely “Paddy Procurement Desktop Software KMS 2019-2020” available at the website of Department of Food and Supplies (DFS), Government of WB. The Authorized Person of FPO can operate this application selecting district, FPO name and using OTP through registered mobile and later can create password. Using this application the registration process of the farmers is completed by entering the personal information, land information and bank account information of farmer. Each farmer gets one Identity Number (ID). The same ID of farmer is used while procuring paddy.

The DPM of WBECS issues Work Order to FPO mentioning the quantity of paddy to procure from farmers. FPO discusses with the tagged Rice Mill for planning of procurement process. Accordingly FPO intimates to its farmers regarding the date, time and the location of camp to procure paddy. FPO makes registration process of farmers and also provides details of procured paddy farmer wise using the Software Application. Once the procured paddy is delivered to the tagged Rice Mill, the delivery challan and Muster Roll to be signed by Rice Mill along with seal which are submitted to DPM of WBECS. The DPM has to certify the delivered quantity of Paddy supplied by FPO to Rice Mill. Then the payment is released to farmers bank account directly by Department of Food and Supplies (DFS) within 3 working days after confirmation report sent by DPM. The facilitation fee of FPO to be directly credited to the FPO bank account form DFS.

Role of Resource Institute (RI): RI has facilitated the entire process starting from providing the list of FPOs, address, bank details, authorized person detail of FPOs to Department of Food & Supplies and WBECS. RI has facilitated tripartite agreement at district level. In some districts, Rice Millers were not showing interest where RI has facilitated the process to make it happen. The most important task of RI

is to maintain MIS of daily transaction of paddy procurement of all FPOs. RI is sharing the information with related Government Departments and also monitoring the on time payment of farmers.

Benefit to Farmers: The prevailing marketing price of paddy is ranging from Rs.1500 to Rs.1650 per quintal. The average market price is Rs.1575 per quintal. The MSP program offers a price of Rs.1815 per quintal. Farmer is getting extra of Rs.240 per quintal which is 15% higher than market price.

Comparison of Market Price of Paddy with MSP and the benefit of farmer:

Prevailing market price per quintal	Average market price per quintal	MSP per quintal	Additional benefit of farmer per quintal over market price	Additional benefit of farmer per quintal over market price
Rs.1500 to Rs.1650	Rs.1575	Rs.1815	Rs.240	15%

Benefit to FPO: FPO will get Rs.31.25 per quintal as facilitation fee. Apart from that FPO is creating a good will among the members by providing such services.

Status of FPOs assigned to BASIX Krishi Samruddhi Limited (BKSL):

BASIX Krishi has promoted 25 numbers of FPOs assigned by SFAC in West Bengal. All the 25 FPOs have completed tripartite agreement to procure paddy on 28th April & 29th April 2020. Work Orders are being issued to FPOs starting from 11th May 2020. There are 14 number of FPOs who have received Work Orders as on 19th May 2020 to supply 19,000 quintal paddy. Within 8 days of getting Work Orders, five FPOs have started procurement process completing 86 transactions with supplying 4,109 quintal of paddy worth of Rs.74.58 lakh.

Status Report of BKSL as on 19th May 2020:

Sl. No.	Key information	Present status
1	Number of FPOs promoted in West Bengal	25
2	Number of FPOs completed tripartite agreement	25
3	Number of FPOs received Work Orders to procure paddy	14
4	Quantity of Paddy to be procured as per Work Orders	19,000 quintal
5	Number of FPOs started procurement and supply	5
6	Number of transactions completed	86
7	Quantity of Paddy supplied	4109.43 quintal
8	Amount of Paddy supplied	Rs.74.58 lakh
9	Additional Benefit to farmers over market price	15%
10	Additional Benefit to farmers over market price	Rs.9.86 lakh
11	Facilitation fee to 5 FPOs @ Rs.31.25 per quintal	Rs.1.28 lakh

Glimpses of Paddy Procurement



FPO Staffs/BoDs along with Mr.Jasimuddin, District In charge, BKSL (first from right) at office of District Procurement Manager, WBECS, Uttar Dinajpur district to do tripartite agreement



FPO Staffs/BoDs along with Mr.Buddhadeb, District In charge, BKSL at office of District Procurement Manager, WBECS, Birbhum district doing tripartite agreement



Loading of the procured paddy by Meherpur Agro Producer Company Limited, Birbhum District



Chainagar Krishak Ranna Agriculture PCL, Uttar Dinajpur District at Paddy Procurement Camp



Shantiniketan Krishi Utpadak PCL, Bolpur, Birbhum district during procurement process



Kaliyaganj Krishi Udyog PCL, Kaliyaganj Block, Uttar Dinajpur district preparing Muster Roll of paddy procured during the day.



Paddy procurement and loading at camp location of Meherpur Agro PCL, Birbhum district.