

FARMER PRODUCERS ORGANISATIONS

Collectivization of producers, especially small and marginal farmers, into producer organisations has emerged as one of the most effective pathways to address the many challenges of agriculture but most importantly, improved access to investments, technology, inputs and markets. Farmer Producer Organisation registered under Part IX A (Section 581A to 581ZT) has been considered as most appropriate institutional form around which to mobilize farmers and build their capacity to collectively leverage their production and marketing strength.

SFAC has been designated agency 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 provides all-round support to State Governments, FPOs and other entities engaged in promotion and development of FPOs and other entities engaged in promotion and development of FPOs. In particular SFAC creates sustainable linkages between FPOs and inputs suppliers, technology providers, extension, research agencies, marketing and processing players, both in public and private sectors.

FPOs offer end-to-end services to its members, covering almost all aspects of cultivation (from inputs, technical services to processing and marketing). The FPO facilitate linkages between farmers, processors, traders, and retailers to coordinate supply and demand and to access key business development services such as market information, input supplies, and transport services.

SFAC is working for promotion and sustainability of FPOs/FPCs with the objective of strengthening of existing FPOs/FPCs and to explore innovative and effective strategies for enhancement of capacity building and sustainability through technology, finance and input supply.

In order to achieve above objectives, SFAC is offering various schemes for strengthening the FPCs:

- a) Equity Grant Scheme provides matching equity subject to maximum Rs. 10 lakh as a grant with a view to enhance viability, sustainability and increasing credit worthiness of FPCs.
- b) Credit Guarantee Fund has been set up with the primary objective of providing 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 Rs. 100.00 lakhs.
- c) Venture Capital Assistance Scheme provides interest free loan upto the extent of 26% of promoter's contribution payable after complete repayment of Term Loan to the Bank.

Besides, SFAC also arranges awareness camps for dissemination of information and guidance to FPOs/FPCs and other stakeholders.

SFAC, in the month of December, 2017, organised North East Agri-business Conclave (NEAC) at Guwahati for promotion of FPOs and providing them the opportunity for Forward and Backward linkages by connecting them to the stakeholders like Bankers, State Government Authorities, and Academic Institutions etc. Recently, SFAC organised Maharashtra Agri-business Conclave (MAC) at Pune on 07th February, 2018 with the objective of strengthening of existing FPOs and to explore innovative and effective strategies for enhancement of capacity building and sustainability of FPOs through technology, finance and input supply.

Banks are hopeful of increasing lending to the priority sector following the Budget announcement of 100 per cent tax deduction for the next five years for Farmer Producer Companies with a turnover of up to Rs. 100 Crore. Since, there are very few FPCs with a turnover of more than Rs. 100 Crore, the tax incentive is expected to benefit almost all FPOs in the Country.

Shri Sumanta Chaudhury, IAS and MD SFAC and Shri B.R.Patel, General Manager, Head-Rural & Agri Banking and CSR, Bank of Baroda signed a MoU for comprehensive growth and development of FPOs on 7th February, 2018 at Pune, Maharashtra. Bank of Baroda has been recognised as PREFERRED BANKER for financing FPCs in Maharashtra and avail Credit Guarantee Fund Scheme from SFAC.