



# FPO NEWSLETTER

Central Sector Scheme for Formation & Promotion of 10,000 Farmer Producer Organizations  
VOLUME 2

Publication initiated by Small Farmers Agri-Business Consortium



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## EXCERPTS FROM MD's DESK

*I firmly believe that FPOs are positioned as growth drivers for Indian Agriculture. Central Sector Scheme for Formation & Promotion of 10,000 FPOs is playing a pivotal role in developing & nurturing FPOs across the country. The program is inducing "Agripreneurship" in FPOs through handholding support from Cluster Based Business Organizations. Agripreneurship is the entrepreneurial process taken up in the field of agriculture or the allied sectors. It is a new & simple process of adopting new GAPs, methods & processes, techniques, technology infusion in agriculture or the allied sectors of agriculture for better output and economic earnings.*

*This Newsletter is a small step to provide an independent interactive platform & knowledge hub based on experience exchange on agricultural trade practices under this FPO program. I am sure that this initiative will trigger good amount of informatory knowledge about the cumulative efforts made by all the stakeholders together under the scheme.*



**DR. N. VIJAYA LAKSHMI,**  
**IAS**

*Triggering "Agripreneurship" via Sustainable Business Models & infusing right Convergence of Government Schemes, plays a pivotal role in the growth and development of FPOs which further increases hope of amplified earnings & more employment opportunities in rural India*

# SCHEME UPDATE

## Central Sector Scheme of Formation & Promotion of 10,000 FPOs



### MATCHING EQUITY GRANT : Growth Engine to FPO Ecosystem

In India, Equity Grant Scheme holds prime importance in Agri ecosystem, as it extends vital support to the equity base of Farmer Producer Organizations (FPOs) by providing matching equity grants subject to maximum of Rs. 15.00 lakh per FPO in 3 tranches with in a period of 3 Years.

To commemorate Azadi Ka Amrit Mahotsav, the DA&FW, Gol has organized a two days' **National Conference of State Agriculture & Horticulture Ministers** in Bengaluru on 14-15th July, 2022 in the presence of Union Minister of Agriculture & Farmers Welfare **Shri Narendra Singh Tomar**, Chief Minister of Karnataka **Shri Basavaraj Somappa Bommai**, Ministers of State for Agriculture & Farmers Welfare **Sushri Shobha Karandlaje** and **Shri Kailash Choudhary** & Ministers of Agriculture & Horticulture of the States.

On the occasion, Gol released Equity Grant worth **INR 37.6 Cr to 1018 FPOs** across the country. J Sec-Mktg & Policy & MD SFAC **Dr Vijaya Lakshmi Nadendla** also presented Key aspects of marketing on FPO & eNAM. Government is also focusing to increase the width of the scheme assistance through releasing equity grants frequently .

### SCHEME PROGRESS :-

#### Blocks Allocated

- 8266

#### FPOs Formed

- 3179

#### FPOs in Plains / Hills

- 2694 / 485

#### Farmers Mobilized

- 7,75,130

#### Shareholder Farmers

- 4,25,802

#### Implementing Agencies

- 17

#### CBBOs

- 285

#### Women Focused FPOs

- 249



# EVENTS WRAP UP

HIGHLIGHTS

## Series of Conferences, Events & MoUs



### National CBBOs Conference & Launch of FPO Logo @ IARI, NEW DELHI

The Ministry of Agriculture and Farmers Welfare hosted a National CBBO Conference on April 21, 2022, at NASC Complex, New Delhi. Union Agriculture Minister Shri Narendra Singh Tomar envisaged the importance of CBBOs for CSS of 'Formation and Promotion of 10,000 FPOs'. Also the launch of FPO Logo was unveiled by Competent Authorities.



### Regional CBBOs & FPOs Conference @ Jaipur

The Ministry of Agriculture and Farmer Welfare hosted a Regional Conference (Western) on May 6, 2022, at Jaipur, Rajasthan, as part of the 'Formation and Promotion of 10,000 FPOs' Scheme. The conference concluded on raising awareness about new production technology, services, and marketing, as well as value addition and improved income generation for FPOs.



## Regional CBBOs & FPOs Conference @ PANCHKULA

Union Minister of State for Agriculture & Farmers Welfare chaired the Regional Conference on May 17, 2022, at Panchkula, Haryana. The conference was spearheaded by SFAC-HR. Major focus was on importance of the "Role of CBBOs" in promoting FPOs by making suitable business plan & handholding FPOs to achieve business sustainability



## Regional CBBOs & FPOs Conference @ Bangalore

The conference was organised in Bengaluru on May 27, 2022 by Karnataka's Watershed Department & chaired by Union MoS for Agriculture and Farmers' Welfare Sh. Kailash Choudhary & Sushree Shobha Karandlaje. Key intention was to facilitate knowledge sharing among CBBOs on best practices & provide a platform for discussion on expectations from CBBOs & FPOs.



## 9th N-PMAFSC MEETING - 1st JUNE 2022

9th Meeting of N-PMAFSC was held on June 1, 2022 under Chairmanship of Secretary (DA&FW). Key thrust areas included; a) Fast tracking of EG eligible FPOs, b) Allocation of additional FPO cluster to existing IAs & Corporate bodies, c) Designating new Implementing Agencies for proliferation of the program.





## MoU between SFAC & ITC LTD - 9th June 2022

Dr. Vijaya Lakshmi Nadendla, IAS, MD-SFAC, and Mr. Sachin Sharma, Vice President – Channel & Dairy Operations, ITC Limited signed MoU for the formation and promotion of Agri-Value Chain/Industry-based FPOs during FY 2022-23 under the Central Sector Scheme of Formation and Promotion of 10,000 FPOs on 09.06.2022 at SFAC, New Delhi



## MoU between SAFE & TAFE - 27th April 2022

### LIASONING ASPECTS :

- Increase the access to farm mechanization for FPOs
- Train and empower FPO CEOs with digital platform for enhanced FPO governance & member management.
- Leverage the existing FPO network to promote the Scheme on ground



## MoU between SFAC & Samunnati - 23rd JUNE 2022

### LIASONING ASPECTS :

- Formation of 100% Women FPOs
- Incremental access to Input(s) supply
- Customized crop advisory
- Credit & Market linkages
- Other relevant rural services through its network platform

# Uncrewed Aerial Vehicles – KISAN DRONES

A real 'gamechanger' in Indian agriculture



Recently, the Government of India has released funds for various activities of Farm Mechanization under the Sub-Mission on Agricultural Mechanization (SMAM) scheme.

The Department of Agriculture & Farmers Welfare has brought out Standard Operating Procedures (SOPs) for use of Drone application with pesticides for crop protection in agricultural, forestry, non-cropped areas, etc. & for Drone Application in Spraying for Soil and Crop Nutrients.

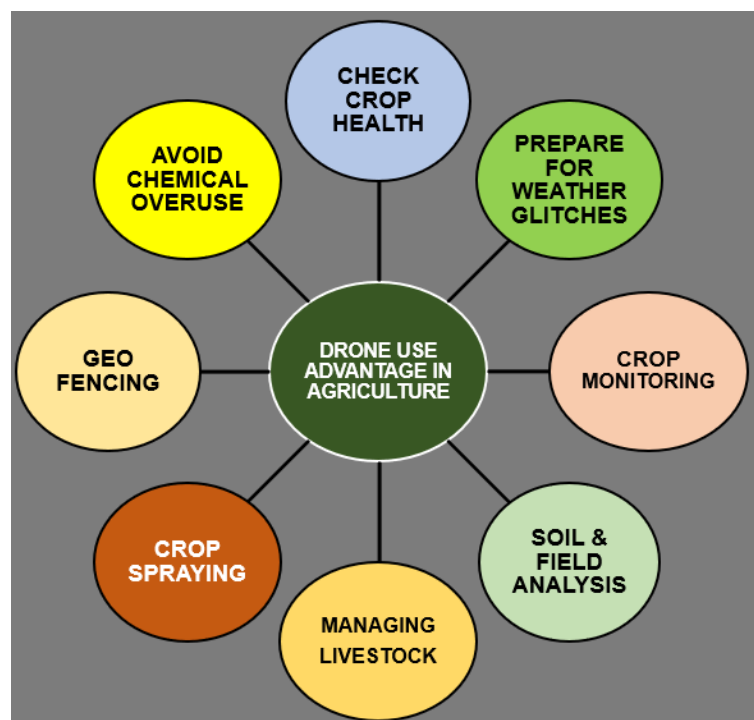
- 22 registered drone manufactures and importers in India
- >40 Drone Training Institutes in India.
- Get the drone registered & generate UIN (Unique Identification Number)
- Eligibility : 10th Pass, >18Years & should be Certified Drone Pilot
- Govt SOP of Drones can be found at - <https://www.agricoop.nic.in/hi/agriculturereforms-3>

The department of agriculture estimates that the service of a drone that has the capacity to carry a 10 kg payload will cost Rs 350-450 per acre. The subsidized purchase of agriculture drones for CHCs/ Hi-tech Hubs will make the technology more affordable, resulting in its widespread adoption.

The amendments in the guideline make drones more accessible to the FPOs in India and will also significantly encourage use of Kisan Drone in the Indian Agriculture.

- FPOs - 75% Funding Support
- Agriculture Training Institutes & KVKs - 100% Funding Support up-to Rs. 10 Lakhs
- CHCs (by Cooperatives & FPOs) - 40% support up-to Rs. 4 Lakhs

**NOTE-** The proposals for purchasing drones will be applicable till 31 Mar, 2023





# Important FORMs & Registers relevant to FPOs registered under Companies Act

S.No.	PURPOSE OF FORM/REGISTER	FORM NO.
1	Company Incorporation Form (Web-based form can be accessed through login only)	SPICe+
2	Register of Members	MGT-1
3	Register of Directors and their Shareholding	-
4	Register of Renewed and Duplicate Share Certificates	SH-2
5	Register of Charges	CHG-7
6	Register of Loans and investments made by the Company	MBP-2
7	Register of Related Party Transactions	MBP-4
8	Notice of situation or change of situation of registered office	INC-22
9	Application for approval of Central Government for change of name	INC-24
10	Return of allotment	PAS-3
11	Notice to Registrar of any alteration of share capital	SH-7
12	Application for registration of creation, modification of charge (other than those related to debentures)	CHG-1
13	Particulars for satisfaction of charge thereof	CHG-4
14	Filing of Resolutions and agreements to the Registrar	MGT-14
15	Application for allotment of Director Identification Number before appointment in an existing company	DIR-3
16	Notice of resignation of director to be filed by the director	DIR-11
17	Application for KYC of Directors	DIR-3 KYC
18	Particulars of appointment of Directors & the key managerial personnel and the changes among them	DIR-12
19	Form for filing financial statement and other documents with the Registrar	AOC-4
20	Form for filing annual return by a company	MGT-7

## KEY TIMELINES: Post Incorporation Compliances for FPOs



# Increase in Minimum Support Prices (MSP)



## –Kharif Crops

The Cabinet Committee on Economic Affairs, chaired by Hon'ble Prime Minister Shri Narendra Modi, recently approved an increase in minimum support prices (MSP) for 17 Kharif crops for the 2022-23 marketing season. Out of 17, 14 Crops revised MSPs has been published. The increase in MSP for Kharif crops for the 2022-23 marketing season was in line with the Union Budget 2018-19 announcement of fixing the MSP at a level of at least 50 percent over the all-India weighted average cost of production, aiming at a reasonably fair remuneration for the farmers.

- Govt Hikes MSP For **Moong** By Rs 480/100 kg
- Govt Hikes MSP For **Urad** By Rs 300/100 kg
- Govt Hikes Common **Paddy** MSP By Rs 100/100 kg
- Govt Hikes **Groundnut** MSP by Rs 300 /100 kg
- Govt Hikes **Sunflower** Seed MSP ByRs 385 /100 kg
- Govt Hikes **Nigerseed** MSP By Rs 357/100 kg
- Govt Hikes MSP For Medium Staple **Cotton** By Rs 354/100 kg
- Govt Hikes **Soybean** MSP By Rs 350/100 kg
- Govt Hikes MSP For **Tur** By Rs 300/100 kg
- Govt Hikes MSP For **Jowar** Hybrid By Rs 232/100 kg
- Govt Hikes MSP For **Bajra** By Rs 100/100 kg
- Govt Hikes MSP For **Maize** By Rs 92/100 kg
- Govt Hikes MSP For **Sesamum** By Rs 523/100 kg
- Govt Hikes MSP For **Arhar** By Rs 300/100 kg





# TRIUMPH SUCCESS STORIES



## **FPO-Hulsoor Mahila Kisan Millets Producer Company limited**

**IMPLEMENTING AGENCY: SFAC**

**CBBO-ICAR-Indian Institute of Millets Research Hyderabad**

**BLOCK CHC, Input sales, output sales, Millets grains**

**KEY AREA- Value addition and processing of millets**

*The FPO resulted in a long-term change in the lifestyle of the farmers of Hulsoor block of Karnataka. Farmers used to cultivate traditional varieties of various crops before becoming members of the FPO using conventional farming methods. The FPO introduced millet as a new crop to the crop portfolio of these farmers. FPO has recently set up its own input shop, where members can buy high-quality seeds, fertilizer, and other inputs at subsidized prices. The FPO also has a Custom hiring centre, where farm machinery is accessible to the farmers.*

*The average crop productivity enhanced by 30-50% as a result of demonstrated crop cultivation techniques and Good Agricultural Practices to the FPO farmers.*



## **FPO-Ansarwada Agronic Farmer Producer Company Limited**

**IMPLEMENTING AGENCY: SFAC**

**CBBO-Grant Thornton Bharat LLP**

**BLOCK - Nilanga, latur district, Maharashtra**

**KEY AREA- Output sales of Soyabean & Gram**

*For many years, the farmers in the initiative have struggled to find remunerative markets and have been compelled to sell their crops at a loss, making it impossible to break the cycle of poverty. FPC was able to produce good grade soyabean and gram with the support of technical farm advisory from CBBO and access to premium inputs at reasonable prices. Further, it also secure market linkage opportunities with processors in the region. Farmers can also get help from FPC's Custom Hiring Centre to access the farm machinery services. The FPO is concentrating on developing their own brand and adding value to Soyabean and Gram. FPC had a turnover of INR 2.68 crore in FY 2021-22. The FPO was also able to align with a state government program and has applied for a 1200 MT warehouse.*



## **FPO- Golden Spice Farmers Producer Company Limited**

**IMPLEMENTING AGENCY: NABARD**

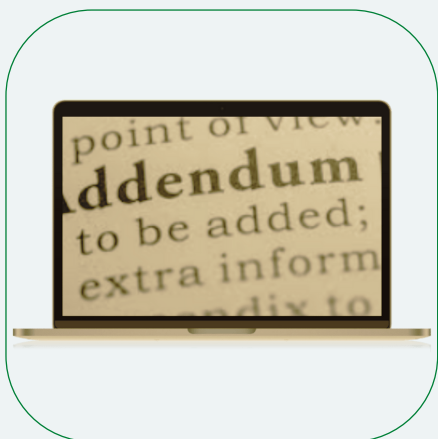
**CBBO- Vikasana Institute for Rural & Urban Development**

**BLOCK - Mugalkhod**

**KEY AREA - Marketing Activities: Tuarpelin, Gamelas, Mulching papers, Spray pumps ,Organic jaggery, Organic Jivamrut Jaggery**

*Before becoming a member of FPO, farmers used to sell their turmeric produce to the aartiyas in Sangali (Maharashtra), where they had to face several challenges like hefty charges in lieu of commission/brokerage, transportation, loading unloading charges, bags, quantity weight reduction per quintal (upto 3kh per Qtl) etc., cheating in weighting, no scope for bargaining late payment till 2-3 months after delivery etc., which subsequently causes less net profit to farmers. Since, Now Agri produce is aggregated and marketed through FPO, the farmers are getting fair price to their Agri produce and there is no possibility of cheating and late payment. In order to establish forward market linkages with Multinational Companies the necessary communication is being done.*





## Key addendum to Operational Guidelines

Under the guidance & chairmanship of MD SFAC Dr N. Vijaya Lakshmi, IAS; after receiving feedbacks from Implementing Agencies & NPMA; Central ministry has sought improvisation in Operational guidelines of the Central Sector Scheme on "Formation & Promotion of 10,000 FPO" & revised changes has been released as addendum on June 6, 2022. Amongst the multiple changes, Key addendum includes Relaxation in cap of 25 FPOs. Allotment of >25 FPOs to High performing CBBOs (up-to 50 across involved IAs). This needs to be carried out by every IA in a justified manner, as directed in approved SOP of Performance based allocation of FPOs. This SOP has been framed & broadcasted by NPMA to all the IAs on June 16, 2022

## Release of CBBO Performance Assessment Tool

Performance of CBBOs will be assessed based on the CBBO Assessment Toolkit & shall be classified into high performing, average performing, and low performing CBBOs periodically by the IAs.

The acceptable performance threshold (70% or above) for CBBOs, as considered in the CBBO Assessment Toolkit, is revised and the CBBOs will be classified into three categories by adopting the class intervals as mentioned below:

Category of CBBOs Performance Score

- Low Performing – Grade C- 0% to 40%
- Average Performing – Grade B- 41% to 60%
- High Performing – Grade A - 61% to 100%



## Post Harvest Management (PHM) SOPs released

Standard Operating Procedure (SOP) for effective Post Harvest Management (PHM) of "Fruits & Vegetables" & "Honey" has been released & published by SFAC.

The SOPs have been framed by keeping the right requirements of Farmers in mind. Effective PHM contributes to the following aspects - a) More availability & Utilization of Food; b) Stimulate consumption in local markets & an upward shift in demand; c) Increase market supply, eventually leading to lower farm-gate prices; & d) Higher income in Value chain.

For better understanding about Post harvest methods, it is advisable for FPOs & CBBOs to kindly go through the SOPs by visiting SFAC Website

## Capacity Building of CBBO Domain Experts by BIRD

Bankers Institute of Rural Development (BIRD) has basic FPO module on their website as an open source material and also uploaded the MOOC (Massive Open Online Course). The MOOC course needs to be accessed after getting free registered. Hence CBBOs five domain expert (as per MoU signed with the respective IAs) needs to get registered on BIRD's website and complete the training as well as evaluation process for getting the completion certificate in next 45 days. This is a mandatory process for CBBOs to get their respective domain experts trained for the given modules related to Formation & Promotion of FPOs.





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