

F No 18055/42/2016-FCA
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated 12th December, 2017

To

The Chief Secretaries/ Secretaries (Cooperation),
All States/ UTs


Subject: Extension of benefits to Producer Company at par with Cooperatives by the States/ UTs-reg.

Sir,

I am directed to say that the Farmer Producer Companies (FPCs) which are Farmer Producer Organization, registered under Indian Companies Act 2013, is a federated body of the village level primary groups with an average shareholder of 800-1000 farmers. Experience has shown that FPCs are able to leverage their collective strength and bargaining power to access financial and non-financial inputs and services, technologies, reduce transaction costs, tap high value markets and enter into partnerships with private and public entities on more equitable terms.

2. Supply of quality agriculture inputs to its members is a key mandate of the FPCs. While few FPCs have got dealership with the fertilizer companies in both public (including cooperatives) and private domain, this happens in sporadic manner dependent largely on individual discretion. Consequently, their effectiveness in supplying quality inputs at competitive prices to farmers gets affected.


3. There is a need of opening opportunities for the FPCs to get dealership of fertilizers from both public and private fertilizer companies. While offering dealership they should be treated at par with the cooperatives engaged in fertilizers retailing in the rural areas. A copy of letter issued by the Ministry of Agriculture & Farmers Welfare, GoI, treating them at par with Cooperatives is also enclosed for your reference.


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Copy to: The CMDs, RCF/ NFL/ MFL/ FACT/ BVFCL

Copy for information to: Sr PPS to Secretary (F)/ PPS to AS (Fert).


Issued on 12.12.17
