

F. No. 28011/1/2020-M-II(Pt.2) (84929)
Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agriculture & Farmers' Welfare
(Agricultural Marketing Division)

Room No 355, Krishi Bhawan, New Delhi

Dated: 06.06.2022

OFFICE MEMORANDUM

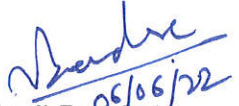
Subject: Addendum to operational guidelines of Central Sector Scheme of "Formation & Promotion of 10,000 Farmer Producer Organizations (FPOs)" – circulation & implementation-reg.

In continuation of this Departments' communication of even number dated 2nd July, 2020 & 28th September, 2020 forwarding therewith Operational Guidelines of Central Sector Scheme of Formation & Promotion of 10,000 FPOs.

2. The operational guidelines of the aforementioned scheme have been slightly revised now on the basis of the suggestions received from various Implementing Agencies and other stakeholders during National & Regional conferences under Central Sector Scheme of "Formation & Promotion of 10,000 Farmer Producer Organizations (FPOs)". English version of the addendum to operational guidelines of the scheme is enclosed herewith and being uploaded on Ministry's website: <http://www.agricoop.nic.in>.

3. Addendum to Operational Guidelines of the scheme is approved by Hon'ble Minister for Agriculture & Farmers' Welfare.

Enclosure: As above


(Kapil Bendre)

Director (Marketing-II)

To

1. Chief Secretaries/ Administrator of all States/ Union Territories.

Distribution

1. Secretary, Department of Expenditure, North Block, New Delhi.

2. Secretary, Department of Financial Services, Jeevan Deep Building, Sansad Marg, New Delhi
3. Secretary, Ministry of Rural Development, Krishi Bhawan, New Delhi.
4. Secretary, Ministry of Food Processing Industries, Panchsheel Bhawan, August Kranti Marg Khelgaon, New Delhi.
5. Secretary, Department of Animal Husbandry & Dairying, Krishi Bhawan, New Delhi.
6. Secretary, Department of Fisheries, Krishi Bhawan, New Delhi.
7. Secretary, Ministry of Tribal Affairs, New Delhi.
8. Secretary, Department of Fisheries, Krishi Bhawan, New Delhi.
9. Secretary, Department for Promotion of Industry & Internal Trade, Udyog Bhawan, New Delhi.
10. Secretary, Department of North Eastern Region, Vigyan Bhawan, New Delhi.
11. All Additional Chief Secretaries/ Principal Secretaries (Agriculture/ Horticulture/ Cooperation & Marketing) of all States/ Union Territories.
12. Managing Director, Small Farmers' Agri-Business Consortium (SFAC)
13. Chairman, National Bank for Agriculture and Rural Development (NABARD)
14. Managing Director, National Cooperative Development Corporation (NCDC)
15. Managing Director, National Agricultural Cooperative Marketing Federation of India (NAFED)
16. Managing Director, North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC)
17. Managing Director, Tamil Nadu-Small Farmers Agri-Business Consortium (TN-SFAC)
18. Managing Director, Small Farmers Agri-Business Consortium Haryana (SFACH)
19. Commissioner, Watershed Development Department (WDD)- Karnataka.
20. CEO, Foundation for Development of Rural Value Chains (FDRVC)- Ministry of Rural Development (MoRD).
21. Managing Director, Gujarat Agro-Industries Corporation Ltd. (GAICL)
22. Managing Director, Tribal Co-Operative Marketing Development Federation of India Limited (TRIFED)
23. Chairman, National Dairy Development Board (NDDB)

Copy to:

1. PPS to Secretary, DA&FW, Krishi Bhawan, New Delhi.
2. PPS to Additional Secretary (Marketing), DA&FW, Krishi Bhawan, New Delhi.
3. PPS to Joint Secretary (Marketing), DA&FW, Krishi Bhawan, New Delhi.
4. Sh. B.K.Tiwari, I/c Joint AMI, DMI Faridabad.
5. Dr. S.K. Singh, Dy. AMA, DMI, Faridabad.

ADDENDUM TO OPERATIONAL GUIDELINES (OG) OF FORMATION & PROMOTION OF 10,000 FPOs

S. No.	Page No. of OG	Clause no. of existing guidelines	Provisions of existing guidelines	Modified Guidelines
1	1	2.0	<p>FPO is a generic name, which means and includes farmer-producers' organization incorporated/ registered either under Part IXA of Companies Act or under Co-operative Societies Act of the concerned States and formed for the purpose of leveraging collectives through economies of scale in production and marketing of agricultural and allied sector. However, FPOs registered under Cooperative Societies Act of the State (including Mutually Aided or Self-reliant Cooperative Societies Act by whatever name it is called) for the purpose of this Scheme.</p>	<p>FPO is a generic name, which means and includes farmer-producers' organization incorporated/ registered either under Part IXA of Companies Act, 1956 or Part XXI A of Companies Act, 2013 or under Co-operative Societies Act of the concerned States and formed for the purpose of leveraging collectives through economies of scale in production and marketing of agricultural and allied sector. However, FPOs registered under Cooperative Societies Act of the State (including Mutually Aided or Self-reliant Cooperative Societies Act by whatever name it is called) for the purpose of this Scheme.</p>
2	2	4.2	<p>Produce cluster area is to be identified with the input of District</p>	<p>Implementing agencies will identify the produce cluster area /blocks and produce / activity for</p>

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3			<p>Level Monitoring Committee (D-MC), State Level Consultative Committee (SLCC), other Ministries/Departments of Government of India and the States as well as with recommendations of Implementing Agencies with input from Cluster-Based Business Organization (CBBO) and suggestions of relevant Government of India Organizations.</p>	<p>formation of FPOs. The same shall be presented by IAs or their representatives before the D-MC and the decision on approval of produce of FPOs shall be taken by D-MC. The decisions of D-MC shall be based on technical feasibility of the produce / activity proposed by IA in the proposed area.</p>
3	3	4.4 (Addition)		<p>Efforts will be made to form & promote women centric FPOs.</p>
4	3	4.5	<p>Efforts will be made to form on an average two FPOs in at least each of potential 5,000 blocks out of existing about 7,000 blocks. However, efforts will be made to cover all blocks in the country.</p>	<p>Efforts will be made to cover all blocks in the country.</p> <p>There is no restriction of Blocks / District for specialised FPOs envisaged under the scheme such as bamboo, agro forestry, bee keeping, Organic, Oil seeds etc where it is difficult to mobilise enough number of farmers for formation of FPO in a single block. Such specialised FPO may cover farmers across continuous blocks and even 2-3 districts. However, efforts need to be</p>

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5	4	4.9	Existing FPOs will also be allowed Credit Guarantee Fund and advisory services from National Project Management Agency (NPMA) under the Scheme. The FPOs which are already registered but have not been provided funds under any other schemes and have not yet started operation will also be covered under the Scheme.	made to keep FPO operational area as compact as possible Existing FPOs will also be allowed to avail benefits such as Credit Guarantee Fund and advisory services from National Project Management Agency (NPMA) under the Scheme. In case of existing FPOs, "Clause 12.0 and sub-clauses of the Operational Guidelines" shall be applicable for availing Credit Guarantee Facility.
6	37	17.0 (i) Miscellaneous (Agri Value chain organizations forming & promoting FPOs)		The Clause No. 17(i) to be shifted to new Clause no. 4.10 under Strategy for Formation of FPO & Identification of Cluster Area.

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7	9	7.1	<p>The Implementing Agencies will set up Cluster Based Business Organisations at the State or Cluster level to form and promote FPOs as per their requirements</p>	<p>The Implementing Agencies will empanel Cluster Based Business Organisations to form and promote FPOs as per stipulated eligibility criteria.</p>
8	9	7.2 (b)	<p>A Committee under Chairmanship of MD, SFAC with representatives of Chairman, NABARD and MD, NCDC will consider and recommend the criteria for eligibility and qualification and other minimum requirements to select the CBBOs. The Committee may consider minimum requisite qualification and experience of requisite experts of CBBO, area of expertise & minimum experience as well as net worth of organization to be selected as CBBO. Finalization of criteria for selection will be with approval of DA&FW and all IAs will follow the uniform criteria for the empanelment of CBBOs. NPMA will facilitate the empanelment process.</p>	<p>A Committee under Chairpersonship of MD, SFAC with representatives of Chairman - NABARD, MD - NCDC and MD-NAFED will consider and recommend the criteria for eligibility and qualification and other minimum requirements to select the CBBOs. The Committee may consider minimum requisite qualification and experience of requisite experts of CBBO, area of expertise & minimum experience as well as net worth of organization to be selected as CBBO. Finalization of criteria for selection will be with approval of DA&FW and all IAs will follow the uniform criteria for the empanelment of CBBOs. NPMA will facilitate the empanelment process.</p>
	10	7.2 (e)	<p>The initial engagement of CBBOs</p>	<p>The engagement of CBBOs will be for a period of</p>

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9			will be for a period of maximum three years for the purpose of formation of new FPOs (for which they will continue handholding for entire relevant five years for each concerned FPO as provided in the Scheme). In case the performance of CBBO is found unsatisfactory at any point, the concerned Implementing Agency may take suitable measures such as stoppage of grant, withdrawal of empanelment and any other measure as deemed fit by the IA, as per due procedure.	maximum five years for the purpose of formation of new FPOs (for which they will continue handholding for entire relevant five years for each concerned FPO as provided in the Scheme). In case the performance of CBBO is found unsatisfactory at any point, the concerned Implementing Agency may take suitable measures such as stoppage of grant, withdrawal of empanelment and any other measure as deemed fit by the IA, as per due procedure.
10	13	7.4 (c) (v) (e)	Payment to CBBOs: third tranche of credit guarantee facility if any.	Removal of this subclause
11	14	9.1	The Formation and Incubation cost of CBBO, limited to maximum of Rs. 25 lakh / FPO of support or actual which is lesser, is to be provided for five years from the year of formation.	The Formation and Incubation cost of CBBO, limited to maximum of Rs. 25 lakh / FPO (including applicable taxes) of support or actual whichever is lesser, is to be provided for five years from the year of formation.

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12	15	10.1	Under the scheme, financial support to Farmer Producer Organization (FPO) @ up to maximum of Rs. 18 lakh / FPO or actual, whichever is lesser is to be provided during three years from the year of formation.	Under the scheme, financial support to Farmer Producer Organization (FPO) @ up to maximum of Rs. 18 lakh / FPO or actual (including applicable taxes), whichever is lesser is to be provided during three years from the year of formation.
13	15	10.1	FPO management cost	(viii) Provision for purchase of accounting software/ ERP/ Tally.
14	16	10.3	The CEO/Manager is to be appointed by the executive's body of the FPO who should be either graduate in Agriculture/Agriculture Marketing/agri-business management or BBA or equivalent. Locally available professionals with 10+2 and preferably diploma in agriculture / agri-business management or in such other related areas may be	The CEO/Manager is to be appointed by the executive's body of the FPO who should be either graduate or equivalent. Locally available professionals with 10+2 preferably diploma in agriculture / agriculture marketing / agri-business management or in such other related areas may be preferable.

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15	17	11.3 (viii) (Eligibility criteria for Equity Grant)	It has a duly constituted Management Committee (MC) responsible for the business of the FPO preferable	This sentence may be deleted from guidelines
16	22	12.4 (iii)	However, Standard Financial Sector Rating Agency should have rated NBFC to be AAA to be considered as ELL;	However, Standard Financial Sector Rating Agency should have rated NBFC to be AAA /AA+/AA to be considered as ELL;
17	23	12.6 iii	Non-Banking Financial Companies (NBFCs) and such other Financial Institutions (FIs) with required net worth, track record and rating of AAA may also be accommodated as Eligible Lending Institutions (ELIs), such NBFC should on-ward lend to FPOs with a moderate spread between their cost of capital and lending rate.	Non-Banking Financial Companies (NBFCs) and such other Financial Institutions (FIs) with required net worth, track record and rating of AAA/AA+/AA may also be accommodated as Eligible Lending Institutions (ELIs), such NBFC should on-ward lend to FPOs with a moderate spread between their cost of capital and lending rate.
18	33	14.2.1	SLCC -The Composition of the Consultative Committee	Addition: Representative of IAs working in the state..... Members

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19	33	14.2.2	<p>is as under- Representative of SFAC ----- -----Member iv. Representative of NCDC ----- ----- Member v. Representative of NABARD ----- Member Secretary*</p>	<p>It will regularly monitor and review the progress of FPO development and functioning by holding regular meetings bi-annually.</p>
20	46		<p>Duties & Responsibilities of SLCC: It will regularly monitor and review the progress of FPO development and functioning by holding its regular meetings. Application Form for seeking Equity Grant by FPO Enclosure-III of Annexure-I i.e., Consent form of all shareholders : Countersigned by Bank Manager (of the Bank where the FPC has the account) (Seal)</p>	<p>[Deleted]</p>
21		Addition		<p>Additional structured Grievance Redressal Mechanism:</p>

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				<p data-bbox="459 271 496 734">1. For FPO/ Farmer members:</p> <ul style="list-style-type: none"> <li data-bbox="531 129 612 875">✓ Stage 1: Grievances of FPOs/ Farmer members to be addressed at IA level. <li data-bbox="651 181 732 779">✓ Stage 2: Grievances of FPOs/ Farmer members to be addressed at NPMA level. <li data-bbox="770 181 852 779">✓ Stage 3: Grievances of FPOs/ Farmer members to be addressed at Ministry level. <p data-bbox="959 394 995 629">2. For CBBOs:</p> <ul style="list-style-type: none"> <li data-bbox="1034 136 1115 875">✓ Stage 1: Grievances of CBBOs to be addressed at NPMA level. <li data-bbox="1153 136 1235 875">✓ Stage 2: Grievances of CBBOs to be addressed at DA&FW level.