

No: SFAC/43/Parl.Qus/2025-26
 Small Farmers Agribusiness Consortium
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Dated/ दिनांक : 13.08.2025

To,

Section Officer (Agriculture Marketing –II Division)
 Department of Agriculture & Farmer Welfare,
 Shastri Bhawan, New Delhi

Sub: Lok Sabha Unstarred Question No. 4201 to be replied on 19.08.2025 regarding 'Scheme to Promote FPOs' - request for inputs

Sir,

Please refer to your email dated 12.08.2025 on the above subject. In this regard, point wise reply is furnished as below:

Sl. No.	Question	Reply
a)	Whether the Government has launched any dedicated scheme to promote Farmer Producer Organization (FPOs), if so, the number of FPOs proposed to be formed across the country under the said scheme;	10,000 FPOs have been formed under the Central Sector Scheme for Formation and Promotion of 10,000 FPOs.
b)	Whether any financial assistance is being provided to such organizations by the Government, if so, the details of total financial assistance provided to FPOs during the last five years;	The FPOs get access to funds in form of FPO management cost, equity grant and credit guarantee facility apart from capacity building trainings, market and credit linkages, etc. as below: • Provision of FPO Management Cost of Rs. 18 lakh/FPO for office and operational expenses. • Provision of matching Equity Grant upto Rs. 2000/- per farmer with the ceiling of Rs. 15 lakh/FPO. • Provision of Credit Guarantee for project loan of up to Rs.2.00 Crore per FPO. • Capacity building, training and skill development of CEOs BoDs and beneficiary farmers of the FPOs
c)	Whether the Government is implementing a special scheme for the promotion and support of Farmer Producer Organizations (FPOs) in Dewas-Shajapur, MPs:	The scheme under Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs) is running under Dewas and Shajapur.
d)	The number of FPOs registered in Dewas-Shajapur under the scheme as of July, 2025;	19 FPOs in Dewas and 11 FPOs in Shajapur of Madhya Pradesh have been formed under the Scheme
e)	Whether these FPOs have been provided with financial assistance, capacity-building support, market linkages and agri-infrastructure; and	Central government has implemented several initiatives to incentivize and promote Farmer Producer Organizations (FPOs), focusing on financial support, infrastructure development and market access.

		• FPOs can avail assistance for setting up of Custom Hiring Centre (CHC) under Sub Mission on Agricultural Mechanization (SMAM). • Agriculture Infrastructure Fund (AIF): FPOs can access credit guarantee loans up to Rs. 2.0 Cr with an interest subvention of 3% per annum. • Efforts are made to provide the exposure to FPOs to different marketing platforms like ONDC, e-NAM and GEM to access the wider geographies and fetch better prices through different platforms. • FPOs can get assistance under oilseed mission and honey mission of Government of India. • FPOs are connected with the industry and Agri-business organizations for better bargaining and improved market access through Melas/ Exhibitions etc. where industries are invited for B2B linkages with FPOs. Besides, FPOs are also facilitated in participating various Expos/ Exhibitions conducted by Industries, Associations, other Departments of Central Government, State governments etc. • Webinars are also being organized for FPOs by MoA&FW where industry experts guide FPOs on doing business with their organizations. • Number of FPOs availed equity grant, management cost, availed institutional training and onboarded on ONDC is attached as Annexure-I
f)	The major challenges identified in promoting FPOs in the region and steps taken to overcome them?	There is no region-specific challenges in implementation of the Schemes. However, the overall challenges faced are as below : • Limited Market Access : FPOs often operate in local markets and face difficulties entering state and national level markets. • Lack of Storage and Processing Facilities: Many FPOs lack cold storage and warehouses, leading to post-harvest losses. • Limited Working Capital: FPOs often lack sufficient funds to sustain and expand their operations. • Difficulty in Securing Loans: Banks hesitate to provide credit due to lack of collateral. • Limited Access to Government Schemes: Many FPOs are unaware of available financial assistance through various government schemes.

भवदीय
 (संदीप कुमार)
 उप निदेशक (पीडीएफ)
 13/05/25

Annexure-I

Disticts	No. of FPO registered	No. of FPOs availed Management cost	No. of FPOs availed equity grant	No. of Institutional training conducted the CBBOS	No. of FPOs onboarded on ONDC
Dewas	19	16	11	42	3
Shajapur	11	11	6	20	1
Total	30	27	17	62	4