

No: SFAC/43/Parl.Qus/2024-25 /2051  
Small Farmers Agribusiness Consortium  
5th Floor, NCUI Auditorium Building,  
August Kranti Marg, Hauz Khas, New Delhi – 110016

Dated 27.03.2025

To,  
Section Officer,  
Department of Agriculture & Farmer Welfare,  
Krishi Bhawan  
New Delhi

Sub: Lok Sabha Unstarred Admitted Question No. 4880, for 01.04.2025 on Promotion of Farmers Producer Organizations.

Sir,

Please refer to your letter dated 26.03.2025 on the above subject. In this regard, point wise reply is furnished as below:

Question	Response
(a) the total number of Farmers Producer Organizations (FPOs) formed under the Central Sector Scheme for Formation and Promotion of 10,000 FPOs, and the current status of the scheme's implementation;	All 10,000 FPOs are registered under CSS "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)" across the country; <ul style="list-style-type: none"><li>• Total Matching Equity Grant released (INR Cr.): 280.3</li><li>• No. of FPOs who have received atleast one tranche of Matching Equity Grant: 5,038</li><li>• Total FPO Management Cost Released (INR Cr.): 590.8</li><li>• CBBO Management Cost Released (INR Cr.): 434.6</li><li>• Credit Guarantee Fund cover (INR Cr.): 76.6</li><li>• No. of FPOs covered under Credit Guarantee Fund: 715</li></ul>
(b) the impact of these FPOs on the income and market access of small and marginal farmers, with specific data on price realization and input savings;	The various business activities undertaken by FPOs is expected to provide better market access to small and marginal farmers resulting in additional income. However, no specific data on price realization and input savings is available.
(c) the challenges faced by FPOs in terms of market competition, infrastructure, and financial constraints, and the steps taken to address these issues;	<ul style="list-style-type: none"><li>• Limited Market Access: They often operate in local markets and face difficulties entering state and national level markets.</li><li>• FPOs rely on intermediaries, reducing their profit margins.</li><li>• Lack of Storage and Processing Facilities: Many FPOs lack cold storage and warehouses, leading to post-harvest losses.</li></ul>

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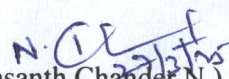
	<ul style="list-style-type: none"> <li>• Limited Working Capital: FPOs often lack sufficient funds to sustain and expand their operations.</li> <li>• Difficulty in Securing Loans: Banks hesitate to provide credit due to lack of collateral.</li> <li>• Limited Access to Government Schemes: Many FPOs are unaware of available financial assistance through various government schemes.</li> </ul> <p>Steps Taken</p> <ul style="list-style-type: none"> <li>• Provision of FPO Management Cost of Rs. 18 lakh/FPO for 5 years for office and operational expenses.</li> <li>• Provision of matching Equity Grant upto Rs. 2000/- per farmer with the ceiling of Rs. 15 lakh/FPO.</li> <li>• Provision of Credit Guarantee up to project loan of Rs.2.00 Crore per FPO.</li> <li>• Capacity building, training and skill development of CEOs, BoDs and other stakeholders Encouraging direct market linkages and participation in e-NAM</li> <li>• 4392 FPOs registered on eNAM; FPO Trade figures: 1.68 Lakh MT worth Rs 265.04 Cr as on Feb 2025.</li> <li>• 4,675 FPOs have been onboarded on ONDC portal till Feb 2025.</li> <li>• FPOs are being facilitated with input licenses &amp; dealership such as seed, pesticide and fertilizers for extending the support to the members as well as to earn revenue.</li> <li>• FPOs are facilitated through various government scheme including state government for establishing CHC.</li> <li>• FPOs are being involved in the wheat procurement through FCI and state government from Rabi 2025-26</li> <li>• FPOs are being facilitated to work as CSC centres in collaboration with CSC e-Governance Services India Limited under Ministry of Electronics and Information Technology (MeitY)</li> </ul>
(d) the role of FPOs in integrating small farmers into food processing supply chains, with data on the increase in farmers' participation in such supply chains; and	2698 FPOs have processing infrastructure commissioned and 4,675 FPOs have been onboarded on ONDC portal leading to integration of small farmers into food processing supply chains.
(e) the measures taken by the Ministry to further incentivize and promote FPOs in rural areas, particularly in Tamil	465 FPOs are formed in the state of Tamilnadu. Central government have implemented several initiatives to incentivize and promote Farmer Producer Organizations

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Nadu and other agricultural States?	<p>(FPOs), focusing on financial support, infrastructure development and market access.</p> <ul style="list-style-type: none"> <li>• FPOs can avail assistance for setting up of Custom Hiring Centre (CHC) under Sub Mission on Agricultural Mechanization (SMAM).</li> <li>• Agriculture Infrastructure Fund (AIF): FPOs can access credit guarantee loans up to Rs. 2.0 Cr with an interest subvention of 3% per annum</li> <li>• Agricultural Marketing Infrastructure (AMI) sub-scheme of ISAM: FPOs can availed maximum Rs 50 lakh for storage &amp; Rs 30 Lakh for non-storage infrastructure</li> <li>• PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME Scheme): Credit linked grant @35% for the for micro food processing enterprises subject to a maximum of Rs.10 lakh.</li> <li>• Kisan Drones: Existing and new Custom Hiring Centers (CHCs), Farmers Producer Organizations (FPOs), and Rural entrepreneurs can receive financial assistance of 40% of the basic cost of the drone or Rs. 4 lakhs, whichever is less.</li> <li>• The efforts are made to provide the exposure to FPOs to different marketing platforms like ONDC and GEM to access the wider geographies and fetch better prices through different platforms.</li> <li>• FPOs can get assistance under oilseed mission and honey mission of Government of India.</li> </ul>
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Yours faithfully,

  
 (Prasanth Chander N.)  
 Dy. Director (Admn)