

No: SFAC/43/Parl.Qus/2025-26
 Small Farmers Agribusiness Consortium
 5th Floor, NCUI Auditorium Building,
 August Kranti Marg, Hauz Khas, New Delhi – 110016

Dated 31.07.2025

To,

Marketing (Marketing-II)
 Department of Agriculture & Farmer Welfare,
 Shastri Bhawan, New Delhi

Sub: RSQ Dy. No. U3204 for 08.08.2025 regarding 'Formation and Promotion of 10,000 Farmers Producer Organisations (FPOs) and Agricultural Market Reforms' - request for inputs.

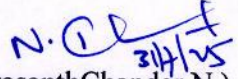
Sir,

Please refer to your email dated 29.07.2025 on the above subject. In this regard, point wise reply is furnished as below:

Sl. No.	Question	Reply
a)	the number of organisations constituted so far under Formation and Promotion of 10,000 Farmer Producer organizations (FPOs) scheme announced by the Government;	10,000 FPOs have been formed under the Central Sector Scheme for Formation and Promotion of 10,000 FPOs.
b)	The types of support provided to these FPOs in the form of financial assistance, market access and training and	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 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. • Agricultural Marketing Infrastructure (AMI) sub-scheme of ISAM: FPOs can avail maximum Rs 50 lakh for storage &

		Rs 30 Lakh for non-storage infrastructure. • PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME Scheme): Credit linked grant @35% for micro food processing enterprises subject to a maximum of Rs.10 lakh. • 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. • 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.
c)	whether these organizations have led to an increase in farmers' negotiating power and income, the details thereof?	The various efforts mentioned above are expected to increase FPOs' access to markets and fetch fair prices for farmers through improved negotiating power. At present, the exact impact of these efforts have not been quantified. Till 30th June, 2025, the FPOs formed under the 10,000 FPO Scheme have reported cumulative turnover of Rs. 5035.50 crores.

Yours faithfully,


 N. Chandrababu Naidu
 (PrasanthChander N.)
 Dy. Director (Admn)