

FARMER PRODUCER ORGANISATIONS (FPOs): Genesis and Growth



Dr. Sujit Kumar Nath

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Ankita Graphics, Bhubaneswar



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FOREWORD

We are breaking records every year in food grain production. India proved as the front runner in many spheres across the globe. On the other hand, 86 % of the farming community who belongs to small and marginal category, struggles to get assured market and price for their produce. Farmer Producer Organisations (FPOs) are organised since last few years to solve such burning issues. The FPOs are taking care of post harvest management practices, doing business and giving profits as well as dividend to the shareholder farmers.

This book 'Farmer Producer Organisations (FPOs): Genesis and Growth' is a testament of journey of FPOs since inception. I believe, it will certainly be helpful for the policymakers, NGOs, researchers and people related to development of farm sector.

Dr. Sujit Kumar Nath is a senior extension professional located at Odisha. His collections and grassroot experiences have enriched the book.

This is a wonderful manuscript for all of us. I hope the readers will find this book readable.

(Kalyan Ghadei)



**NABARD, Odisha
Regional Office**



Dr. Sudhanshu K K Mishra
CGM, NABARD[Retd]

FOREWORD

Farmer Producer Organization (FPO) is now the new buzz word in the Indian agriculture sector. The resilience and true potential of this sector was displayed amply during the COVID pandemic. Odisha, being the largest eastern state in terms of area and harboring 48.66 lakh farmers, out of which 93% of the farmers belonging to small (18%) and marginal (75%) farmer category, contains huge potential which is yet to be utilized fully organizing the small and marginal farmers into Farmer Producer Organisation. These FPOs are engaged in variety of activities such as aggregation, processing & marketing of agro produce. We have also promoted Producer Organisation of handloom & handicraft artisans. These are empowering the artisans & small farmers in negotiating better price realisation and also creating common infrastructure required for processing & marketing.

To organise artisans and weavers in their activity clusters into a formal and registered entity and to support them, a scheme for formation and nurturing of Off Farm Producer Organisations (OFPOs) was initiated during the year 2016-17 by NABARD.

The benefits accrued by the members of FPOs are multifaceted. From increased access to markets and technology to enhanced bargaining power, the tangible outcomes resonate with NABARD's overarching mission of rural prosperity. By enabling farmers, weavers/artisans to pool resources and knowledge, these organizations have unlocked new avenues for growth and prosperity and helped them in their production methods, designs, packaging & branding etc., thereby reaching new markets. This book reflects the whole story of FPO development in India. I wish, it will be appreciated by the readers.

(Sudhanshu K K Mishra)



ACKNOWLEDGEMENT

I extend my heartfelt gratitude to the farmers of Odisha, who encouraged me to write this book “Farmer Producer Organisations (FPOs): Genesis and Growth”. Thanks to CSDR NGO, Reamal who started Farmer Producer Organisation(FPO) in Deogarh district of Odisha that created the inquisitive in me to know about FPOs. I am indebted to the officers of NABARD, Sj. S.S. Chaulia, Sj. Devesh Kumar Behera, and Dr. Sanjeeb Misra for their support in fulfilling my desire to be a part of the FPO movement I am grateful to the Hon'ble Vice Chancellor, OUAT and Dean, Extension Education, OUAT for providing me the opportunity to work as Co-PI under the project, 'Centre of Excellence of FPOs', which facilitated me to write this book. My sincere thanks to the scientists of KVKs of Odisha who provided me the necessary information on FPOs of their respective districts and Dr P P Jena in editing the manuscript I also acknowledge the contributions of my colleagues of KVK, Ganjam-II for encouraging me to write this book.

With Gratitude
Author



PREFACE

Farmer Producer Organisations (FPOs) have emerged as a powerful instrument for empowering smallholder farmers and transforming India's agricultural landscape. This book, 'Farmer Producer Organisations (FPOs): Genesis and Growth' provides an understanding of the genesis, growth and impact of FPOs in India, offering a comprehensive analysis of their role in promoting sustainable agriculture, enhancing farmers' income and ensuring food security.

By showcasing success stories and best practices across Odisha, this book highlights the pivotal role, FPOs play in aggregating smallholder farmers, facilitating access to markets and enabling collective bargaining. Studies have shown that FPOs can help increase farmers' income up to 20-30% and reduce post-harvest losses by 15-20%. Moreover, FPOs have been instrumental in promoting climate-resilient agriculture practices, with over 50,000 farmers adopting such practices through FPO led initiatives.

Number of FPOs in India are increasing rapidly covering millions of farmers. Looking ahead, the future prospects of FPOs in India are promising, Central Govt has been providing all types of supports to these grass root level organizations. Under the central sector scheme of ten thousand FPOs programme, NABARD was playing a major role across the nation.



In future, these organizations are poised to play even more critical role in India's agricultural development. They are expected to expand their reach covering an additional 10-15 million farmers, bringing the total to 15-20 million farmers by 2030.

FPOs will enhance value-added activities, such as processing and marketing to increase farmer incomes by an additional 15-20%. Adoption of digital technologies, such as blockchain and artificial intelligence, will enable FPOs to improve supply chain efficiency, reduce costs, and enhance market access.

This book is an essential read for policymakers, agricultural practitioners, researchers and anyone committed to strengthening India's agricultural ecosystem and improving the lives of its farming communities. By documenting the journey of FPOs in India, this book serves as a valuable resource for those seeking to replicate and scale up successful models, ultimately contributing to the empowerment of smallholder farmers and the sustainable development of India's agriculture sector.

I wish this book a success in fulfilling its objectives and achieving the goal.

Sujit Kumar Nath
(Sujit Kumar Nath)
13.07.2025



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Chapter I

FPOs and their Genesis in India

Unity is strength. And with this collective power, the farmers will also progress towards prosperity. The collective strength of the farmers will now be used to get fair prices to the farmers. Today the same idea runs behind the new FPOs i.e. Farmer Producer Organizations started in Chitrakoot.”

- Prime Minister Narendra Modi
(February 29, 2020)



Empowering Farmers with FPOs

-  **₹6,865 Crore Central Scheme for formation** & promotion of 10,000 Farmer Producer Organisations (FPOs)
Farmers to get better access to quality **input, technology & credit facilities**
-  **FPOs to be promoted under "One District One Product"** cluster
- Better marketing access** through economies of scale, for better realization of income 



India's agricultural landscape is dominated by small and marginal farmers (86%), many of whom struggle with limited resources and bargaining power due to small landholdings. We have produced record amount of food grains, fruits, vegetables etc during last few years. Surplus in some areas or glut in production followed by poor marketing avenues have put farming sector in cross roads, particularly for small, marginal farmers and share croppers. To address these issues, Indian government has encouraged the formation of FPOs. They serve as legal entities aimed at improving farmers' market access, resource pooling and bargaining power.

A Producer Organisation (PO) is a legal entity formed by primary producers, viz. farmers, milk producers, fishermen, weavers, rural artisans, craftsmen. A PO can be a producer company, a cooperative society or any other legal form which provides platform for sharing of profits/benefits among the members. In some forms like producer companies, institutions of primary producers can also become member of PO. A PO formed by Farmers is called as Farmer Producer Organisation (FPO). Thus a producer company can be defined as a legally recognized body of primary producers including farmers/ agriculturists to improve the standard of their living to ensure income and profitability.

Under the Companies Act 1956, a Producer Company can be formed by ten individuals (or more) or two institutions (or more) or by a combination of both (ten individuals and two institutions). The objectives of producer companies shall include one or more of the eleven items



specified in the Act, the more important of these being: (i) Production, harvesting, procurement, grading, pooling, handling, marketing, selling, export of primary produce of members or import of goods or services for their benefit; (ii) Processing including preserving, drying, distilling, brewing, venting, canning, and packaging of the produce of its members; (iii) Rendering technical services, consultancy services, training, education, research and development, and all other activities for the promotion of the interests of its members (iv) Generation, transmission, and distribution of power, revitalization of land and water resources, their use, conservation, and communications related to primary produce; (v) Manufacture, sale, or supply of machinery, equipment or consumables mainly to its members; (vi) Promoting mutual assistance, welfare measures, financial services, insurance of producers or their primary produce.

Farmer Producer Company (FPC), registered under the Companies Act, is emerging as the most effective means of Farmer Producer Organisation (FPO) to cater to the needs of farmers at the grassroots level.

The main aim of FPO is to earn better income for the producers/members of FPO. Small producers do not have the volume individually (both inputs and produce) to get the benefit. Besides, in agricultural marketing, there is a long chain of intermediaries who very often work non-transparently leading to the situation where the producer receives only a small part of the value as compared to the price, the ultimate consumer pays. With formation of a FPO, it can gain from the process of aggregation, the primary producers can avail the benefit of economies of scale on



account of better bargaining power while procuring inputs as also selling their produce. Once basic activity of FPO is stabilized, it can expand vertically or horizontally for value addition by undertaking processing activity thereby extending further benefit to farmers.

FPO members can leverage collective strength and bargaining power to access financial and non-financial inputs and services and appropriate technologies, leading to reduced transaction costs. Members can also collectively tap high-value markets and enter into partnerships with private entities on equitable terms. A producer company is a corporate body registered as a Producer Company under the Companies Act, 1956 (as amended in 2002). The same provisions have been retained for FPO after the amendment of the Companies Act in 2013. Its main activities consist of production, harvesting, processing, procurement, grading, pooling, handling, marketing, selling, and export of primary produce of the members or import of goods or services for their benefit. It also provides scope for sharing of profits/benefits among the members. The Department of Agriculture and Cooperation, Ministry of Agriculture and Farmer Welfare, Govt. of India has identified farmer producer organisation registered under the special provisions of the Companies Act, 1956 (As amended in 2002), now Companies Act, 2013, as the most appropriate institutional form of aggregation of farmers. The main objective of mobilising farmers into member owned producer organisations, or FPOs, is to enhance farmers' production, productivity and profitability, especially resource poor farmers.



Essential Features of a FPO are:

- # It is formed by a group of producers for farm activities.
- # It is a registered body and a legal entity.
- # Producers are shareholders in the organisation.
- # It deals with business activities related to the primary produce/product
- # It works for the benefit of the member producers.
- # A part of the profit is shared amongst the producers.
Rest of the surplus is added to its owned funds for business expansion.

In other words, an FPO is an economic entity operating in a social setup. It is structured to improve the economic well-being of farmers while functioning within the community-driven, cooperative nature of rural settings.

A. As an economic entity:

FPOs focus on economic activities like collective purchasing, production, processing, and marketing of agricultural products. By pooling resources, they enhance profitability and sustainability for their members. Operating as businesses, FPOs generate revenue and, in some cases, distribute profits to members, contributing to rural economic growth by boosting farmers' incomes and overall productivity.

B. Social setup:

FPOs are embedded in the social fabric of rural areas, focusing on the collective welfare of small and marginal



farmers. They aim to reduce poverty, promote sustainable agriculture, and enhance local capacity. FPOs encourage cooperation, shared decision-making, and mutual support among members, offering training on sustainable practices. Additionally, FPOs help address social challenges such as rural unemployment, gender inequality, and rural-to-urban migration by creating local opportunities.

C. Financial support for the FPOs:

Under the 10,000 FPO Scheme launched by the Indian government, each Farmer Producer Organization (FPO) receives substantial financial support to help with initial setup, operational expenses, and capacity building.

This support typically includes:

- a. Up to Rs. 18 lakh per FPO for initial setup and operations;
- b. Credit guarantee of up to Rs. 2 crore for easier access to loans;
- c. Seed capital of Rs. 15,000 per SHG member (if applicable);
- d. Training and capacity building support through POPI/ CBBOs.

Apart from the rent of the FPO's office, the salary of the CEO is also paid for the initial three years of the FPO's operations. Under the scheme, the salary is typically set around Rs. 25,000 per month, depending on the region, size of the FPO, and other factors.



FPOs in comparison with other similar entities in our society

A. FPOs and Cooperatives:

FPOs and cooperatives share a common foundation in collective farming, but they differ in focus and structure. While cooperatives are strong in areas like crop loans, lending, and agricultural inputs, FPOs tend to specialize in value addition, product diversification, and aggregation areas where cooperatives have less of a presence. This distinction makes FPOs more relevant for modern agricultural needs such as processing and marketing, while cooperatives excel in more traditional functions.

B. Self-Help Groups (SHGs) :

SHGs are mostly informal groups, but FPOs are legal entities. They are typically not legal entities by default and formed through mutual agreement by members who share common financial or social goals, such as saving, lending, or small-scale entrepreneurship. However, there are ways for SHGs to gain legal recognition if they wish to formalize their structure. An FPO, on the other hand, is a legal entity registered under the Companies Act, 2013. In many states, members under SHGs come together to form the foundation of an FPO.

Need for FPOs

Nearly 86 per cent of farmers are small and marginal with average land holdings in the country being less than 1.1 hectare. It has reduced from 2.28 ha (1970-71), 1.84 ha (1980-81), 1.41 ha (1995-96) to 1.08 ha (2015-16). These small, marginal and landless farmers face tremendous



challenges during agriculture production phase such as for access to technology, quality seed, fertilizers and pesticides including requisite finances. They also face enough challenges in marketing their produce due to lack of economic strength.

FPOs help in collectivization of such small, marginal and landless farmers in order to give them the collective strength to deal with such issues. Members of the FPO will manage their activities together in the organization to get better access to technology, input, finance and market for faster enhancement of their income.

Important activities of a FPO

The primary producers have skill and expertise in producing. However, they lack scale of operation and generally need support for marketing of their produce to fetch better price. Therefore, the FPO will engage itself in any one or more activities in the value chain of the produce right from procurement of raw material to delivery of the final product at the ultimate consumers' doorstep. Normally, the FPO undertakes the following activities:

- 1) Procurement and distribution of inputs
- 2) Disseminating market information to members
- 3) Dissemination of technology and innovations to its members
- 4) Facilitating finance for inputs procurement
- 5) Aggregation and storage of produce
- 6) Primary processing like drying, cleaning and grading
- 7) Brand building, Packaging, Labeling and Standardization



- 8) Quality control
- 9) Marketing of produce aggregated to institutional buyers
- 10) Participation in commodity exchanges
- 11) Export

Objectives of FPO Scheme

- # To provide holistic and broad-based supportive ecosystem to form 10000 new FPOs to facilitate development of vibrant and sustainable income-oriented farming and for overall socio-economic development and wellbeing of agrarian communities.
- # To enhance productivity through efficient, cost-effective and sustainable resource use and realize higher returns through better liquidity and market linkages for their produce and become sustainable through collective action.
- # To provide handholding and support to new FPOs up to five years from the year of its creation in all aspects of management of FPO, inputs, production, processing and value addition, market linkages, credit linkages and use of technology etc.
- # To provide effective capacity building to FPOs to develop agriculture entrepreneurship skills to become economically viable and self-sustaining beyond the period of support from the government

Promotion and Support for FPOs

An individual person or institution, which can enter into legally valid contracts with other institutions including



the FPO, which they seek to promote, can be a Producer Organisation Promoting Institution (POPI). POPI with the noble objective of socio-economic development of producers can promote FPO using their own resources out of goodwill or through financial support from donor/financing agency.

The following persons/agencies can promote a FPO:

- # Any experienced person/NGO/Community Based Organisation Corporates, Banks
- # Financial Institutions, Development Agencies
- # Government Departments, KVKs, Commodity Boards, Agri Universities, Research Agencies
- # Cooperative Societies, Large Producer Companies, Producer Associations or Federations

Implementation of the Scheme

Under this scheme, formation and promotion of FPOs are to be done through the implementing Agencies (IAs). As of February 2021, nine IAs were finalized for formation and promotion of FPOs viz.:

- ↳ Small Farmers Agri-Business Consortium (SFAC)
- ↳ National Cooperative Development Corporation (NCDC)
- ↳ National Bank for Agriculture and Rural Development (NABARD)
- ↳ National Agricultural Cooperative Marketing Federation of India (NAFED)
- ↳ North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC)
- ↳ Tamil Nadu-Small Farmers Agri-Business Consortium (TN-SFAC)



- ↪ Small Farmers Agri-Business Consortium Haryana (SFACH)
- ↪ Watershed Development Department (WDD), Karnataka
- ↪ Foundation for Development of Rural Value Chains (FDRVC), Ministry of Rural Development (MoRD)

IAs will engage Cluster Based Business Organizations (CBBOs) to aggregate, register and provide professional handholding support to each FPO for a period of five years.

NAFED would form the specialized FPOs which should necessarily be forwardly linked to the market, agri-value chain, etc. NAFED will provide market and value chain linkages to the FPOs formed by other Implementing Agencies.

FPOs will be provided financial assistance up to Rs 18.00 lakh per FPO for a period of three years. In addition to this, provision has been made for matching equity grant up to Rs. 2000 per farmer member of FPO with a limit of Rs. 15.00 lakh per FPO and a credit guarantee facility up to Rs. 2.00crore of project loan per FPO from eligible lending institution to ensure institutional credit accessibility to FPOs.

There are well defined training structures in the scheme and the institutions like Bankers Institute of Rural Development (BIRD), Lucknow and Laxmanrao Inamdar National Academy for Co-operative Research and Development (LINAC), Gurugram which have been chosen as the lead training institutes for capacity development and trainings of FPOs. Training and skill development modules have been developed to further strengthening the FPOs.



Role of Producer Organisation Promoting Institution (POPI):

The broad responsibilities of a POPI include:

- # Cluster identification, Diagnostic and feasibility studies, including value chain analysis
- # Mobilization of producers and registration
- # Incorporation of FPO and facilitating them in framing rules/by-laws
- # Article/Memorandum of Association
- # Capacity building of FPOs and BODs
- # Organizing exposure visits
- # Business planning and Resource mobilization
- # Developing robust systems and procedures in FPO and MIS development
- # Facilitating business decisions, Operations, audit and compliances
- # Technical handholding and other incubation services for sustainability

FPO can be registered under any of the following legal provisions:

- 1) Cooperative Societies Act/ Autonomous or Mutually Aided Cooperative Societies Act of the respective state
- 2) Multi-State Cooperative Society Act, 2002
- 3) Producer Company under Section 581(C) of Indian Companies Act, 1956, as amended in 2013
- 4) Section 25 of Company of Indian Companies Act, 1956.



- 5) Societies registered under Society Registration Act, 1860
- 6) Public Trusts registered under Indian Trusts Act, 1882

While choosing a legal form, the following factors may be kept in view:

- # Primary producers should benefit from the surplus generated by the PO.
- # Process of Registration should not be too demanding in terms of time and resources.
- # The legal form needs to fit into its business needs, organisational priorities, social capital and management capacity.

Stages in Formation of FPOs

Aggregating producers into collectives is one of the best mechanism to improve access of small producers to investment, technology and market. The facilitating agency or POPI should, however, keep the following factors in view:

- 1) Issues leading to low income of producers
- 2) Number of small scale producers in the working area, volume of production, socio-economic status, marketing structure
- 3) Current demand in the existing market to absorb the additional production without significantly affecting the prices
- 4) Willingness of producers to invest and adopt new technology, if identified, to increase productivity or quality of produce



- 5) Challenges in the market chain and market environment
- 6) Vulnerability of the market to different trends and seasonality
- 7) Previous experience of collective action (of any kind) in the community
- 8) Key commodities, processed products or semi-finished goods demanded by major retailers or processing companies in the surrounding areas/districts
- 9) Support from Government Departments, NGOs, specialist support agencies and private companies for enterprise development
- 10) Incentives for members (also disincentives) for joining the FPO

Once the farmers /informal interest groups in the cluster acquire sufficient understanding of the FPO concept, perceived business risks and positive impact of organizing into FPO, they can be facilitated to come together and form a FPO with initial shareholder membership of not below 100 farmers.

Stages in formation of FPO

- Constitution of Board of Directors as per provisions of the act/by-laws
- Preparation of Legal Documents i.e. Article of Association/Memorandum of Association
- Registration/Incorporation under the relevant Act
- Appointment of Professional CEO/other key staff as per business needs



- Obtaining Certificate of Incorporation/Registration of FPO
- Conduct of First General Body Meeting and formal establishment

FPO as Farmer Producer Company (FPC), the following steps are involved:

- # Preparation of Legal Documents
- # Registration

Registration of a FPO

It involves the following steps:

1. Obtain Digital Signatures of the nominated Directors
2. Apply for Name Availability(Form – IA)
3. After availability of name, necessary documents to be prepared like:
 - Memorandum of Association(MoA)
 - Articles of Association(AoA)
 - Form No. 18 for Registered Office
 - Form No. 32 for Directors' Appointment
 - Apply online for DIN for Proposed Directors
 - Form 1, i.e. Power of Attorney in favour of consultant to authorize him to make necessary changes

Legal compliances

a) Licenses required: Depending upon nature of business, a FPO may require Building Plan approval from Competent Authority, License from Industries Department, FDA, FPO, Pollution Control, NOC from Fire Department, FSSAI etc.



b) Compliance with Taxation Laws (Income Tax, Commercial Tax Act etc.): FPO has to procure a PAN number from the Income Tax Department and GSTIN from the Commercial Tax Department to carry out business(for selling/offering the chargeable goods and services). As regards to Budget announcement of 2018-19, FPOs registered under Companies Act with an annual turnover upto Rs. 100 crore, are eligible for 100% Tax exemption for a period of five years from financial year 2018-19.

c) Compliance under Companies Act or Act under which FPO is registered for maintenance of Records and Preparation of Financial Statements : For a FPO registered under Companies Act, following returns are to be filed:

- (i) **Balance-Sheet:** Form 23AC to be filed by all companies
- (ii) **Profit and Loss Account:** Form 23ACA to be filed by all companies
- (iii) **Annual Return:** Form 20B to be filed by companies having share capital
- (iv) **Compliance Certificate:** Form 66 to be filed by companies with paid up capital between Rs. 10 lakh to Rs. 2 crore.

FPO registered under Companies Act, following Statutory Registers and Books are to be maintained

- Share/Debenture transfer register [Section 108]
- Copy of every instrument deed, etc., creating any charge which requires registration [Section 136]
- Register of charges [Section 143]



- Register of members [Section 150]
- Index of members [Section 151]
- Copies of annual returns and certificates and documents required to be annexed thereto [Section 159 to 161]
- Minute books of Board Meetings and meetings of committee of the Board [Section 193]
- Minute books of general meetings [Section 193]
- Register of dividend declared and remaining unpaid [Section 205]
- Proper books of accounts [Section 209]
- Proper books of accounts in relation to transactions effected at Branch Office.
- Register of contracts, companies and firms in which directors are interested [Section 301].
- Register of directors, etc.[Section 303]
- Register of directors' share-holdings, etc. [Section 307]
- Books of accounts of producer company [Section 581ZE(1)]
- Register of particulars of investments of producer companies [Section 581ZL(7)].

Holding of Meetings

The Companies Act, 2013 has given elaborate provisions for holding and conducting meetings. It is necessary to observe those provisions; failing which the decisions taken will not be considered binding. These meetings include:



- First General Body Meeting
- Annual General Meeting (AGM)
- Extra Ordinary General Body Meeting
- Meetings of the Board of Directors

Governance of FPO

Governance of FPO refers to the ways of conducting its activity by a FPO. It includes Board of Directors, allocation of authority and responsibility among the management, systems, processes and procedures, internal checks and controls, compliances and audit. Over a period of time, FPO should build/develop a strong governance to safeguard interest of shareholders, particularly farmers/members associated with a FPO. To understand the governance of a FPO, it can be viewed at different levels as indicated below and also from audit of accounts.

❖ Members/Shareholders

A member is defined as a person or producer institution, whether incorporated or not, admitted as a member of a Producer Company and who retains the qualifications necessary for continuance as such. Being a membership based entity, membership shall be voluntary and is available to all eligible members (in case of a Company, criteria of membership is defined in the Articles of Association of a company) who can participate and avail the facilities or services of the Producer Company. Shares in a Company can be held in more than one name, which is called 'Joint Membership'. Under the Companies Act, there is no ceiling on the number of persons holding shares jointly.



Members act through the General Body, and the body alone has the following rights :

1. Approve the Budget and adopt the Annual Accounts of the Company
2. Approve the patronage bonus
3. Authorize the issue of bonus shares
4. Appoint an auditor
5. Declare a dividend and decide on the distribution of patronage
6. Amend the Memorandum of Association and Articles
7. Approve or act on any other matters that are specifically reserved in the Articles for decision by the Members.

❖ **Board of Directors**

Every FPO should have a Board of Directors of not less than five and not more than fifteen members. The Board may act only in areas not reserved for the General Body and may not exercise executive functions. In general, the Board has authority and is responsible for formulating, supervising, and monitoring of the performance of the FPO in respect of the following matters:

- a) Determination of the dividend payable.
- b) Determination of the quantum of withheld price and recommended patronage to be approved at General meeting.
- c) Admission of new members.
- d) Pursue and formulate the organisational policy, objectives, establish long-term and annual objectives, and approve corporate strategies and financial plans



- e) Appointment of a CEO and other officers, as may be specified in the Articles.
- f) Exercise superintendence, direction and control over CEO and other officers.
- g) Sanction any loan or advance, in connection with the business activities of the Producer Company to any member, not being a director or his relative.
- h) Investment of the funds of the Company in the ordinary course of its business.
- i) Acquisition or disposal of property of the company in its ordinary course of business
- j) Check that proper 'books of account' are maintained
- k) Ensure that annual accounts are placed before the annual general meeting with the auditor's report
- l) Take such measures or do such other acts as may be required in the discharge of its functions or exercise of its powers.

❖ **CEO/Office Bearer**

They are the Individuals appointed to look after the day-to-day affairs of the company like CEO, accountant, godown keeper etc. These officials have to adopt systems and procedure as has been stipulated by the management They have to adhere to the policies approved by the Board and implement the decisions taken by the Board and Governing Body.

❖ **Chief Executive Officer (CEO)**

Board of Directors have to appoint a full time CEO amongst persons other than members. The qualification,



experience and the terms and conditions of services shall be decided by the Board. The CEO shall be the ex-officio Director of the Board and shall not retire by rotation. The CEO shall be entrusted with substantial powers of management as may be determined by the Board. He/she is accountable for the performance of the FPO, both, to the Board of Directors and to the Members. The CEO shall be authorized to exercise the powers and discharge the functions as described below:

- a) do administrative acts of a routine nature including managing the day-to-day affairs of the FPO
- b) operate bank accounts or authorize any person, subject to the general or special approval of the Board
- c) make arrangements for safe custody of cash and other assets of the FPO
- d) sign business related documents as may be authorized by the Board for and on behalf of the FPO
- e) maintain proper books of account, prepare annual accounts, place the audited accounts before the Board and in the annual general meeting of the Members
- f) furnish the members with periodic information to appraise them of the operation and functions of the FPO
- g) make appointments to posts in accordance with the powers delegated to him by the Board
- h) assist the Board in the formation of goals, objectives, strategies, plans and policies



- i) advise the Board with respect to legal and regulatory matters concerning the proposed and ongoing activities and take necessary action in respect thereof
- j) exercise the powers as may be necessary in the ordinary course of business
- k) discharge such other functions, and exercise such other powers, as may be delegated by the Board
- l) to provide timely information to the Members and Board of Directors for scheduled meetings or emergency or short notice meetings.

Audit of Accounts

It is compulsory to conduct Internal Audit in the case of FPO (registered under Companies Act) in terms of Part IX A of the Companies Act, 1956, Section No. 581ZF. Internal audit of its accounts should be carried out, at such interval and in such manner as may be specified in its article of association, by a chartered accountant.

Opportunities and Challenges for FPOs

There were about 44,460 FPOs created between 2003 and September 2024 (TCI 2024). As per data from Ministry of Corporate Affairs (MCA), about 40% are not active today. Of the remaining 26,938 active FPOs, 42% did not submit their financial statements in 2023. In other words, only about one-third registered FPOs are active and compliant.

Farmer Producer Organisation is a generic name, which refers to 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 sectors. The concept behind Farmer Producer Organizations is that farmers, who are the producers of agricultural products, can form groups. To facilitate this process, the Small Farmers' Agribusiness Consortium (SFAC) was mandated by Department of Agriculture and Cooperation, Ministry of Agriculture, Govt of India, to support the State Governments in the formation of Farmer Producer Organizations (FPOs).

Government of India has approved and launched a Central Sector Scheme of "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)" to form and promote 10,000 new FPOs till 2027-28. Prime Minister of India, on 29 February 2020, launched 10,000 FPOs across India from Chitrakoot.

Under the scheme, the formation and promotion of FPO is based on Produce Cluster Area approach and specialized commodity-based approach. While adopting cluster-based approach, formation of FPOs will be focused on "One District One Product" for development of product specialization.

Government of India is implementing the Central Sector Scheme (CSS) for the "Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs)" scheme to form and promote 10,000 new FPOs. As on 30.06.2024, 8875 FPOs have been registered across the country. Under the Central Sector Scheme (CSS) for the "Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs)", the total paid up capital to above mentioned FPOs is Rs.630.3 Crore. As on 30th June 2024, cumulative amount



of Rs. 210.1 Cr. was released to eligible FPOs as matching equity grant under the aforesaid 10,000 FPOs scheme.

As per the clause 4.7 of operational guidelines, “While adopting cluster-based approach for produce or produce mix, formation of FPOs will also focus on “One District One Product” approach for development of product specialization, in case the focused agriculture produce has been declared for that district, whereby FPOs will be encouraged for promoting processing, branding, marketing and export of the product for better value realization. There may be more than one cluster for one product in one district and a cluster also may extend beyond a district. However, the FPOs will also have additional product and service mix; so that there are enough activities and engagements with the members throughout the year. Furthermore, FPOs can federate at district level, State level and National level for the product identified as per their requirement of processing, branding and marketing.”

In a significant boost to India’s agricultural sector, the government has successfully launched 10,000 Farmer Producer Organizations (FPOs). The scheme, introduced by Prime Minister of India on February 29, 2020, aims to empower small and marginal farmers by strengthening their collective bargaining power and improving market access. The initiative has a budget outlay of Rs. 6,865 crore, covering the period up to 2027-28. The scheme provides supports for a credit guarantee fund, under which loans worth Rs.50.4 crores have been issued to these FPOs. As on 30th June, 2024, 19,68,868 number of shareholder farmers registered in FPOs formed and promoted under 10,000 FPOs scheme. As on



30th June, 2024, 6,374 CEOs appointed in 8,875 registered FPOs under the scheme.

Prime Minister inaugurated the 10,000th FPO based in Khagaria district of Bihar during the release of the 19th installment of the PM-KISAN scheme in Bhagalpur, Bihar. The agriculture ministry marked the formation of ten thousand FPOs as “Transformative milestone for agriculture sector”.

Since the inception of the scheme, Rs. 254.4 crore in equity grants have been disbursed to 4,761 FPOs, and credit guarantee cover worth Rs. 453 crore has been extended to 1,900 FPOs. Today, nearly 30 lakh farmers are part of the FPO movement, with women making up 40% of the total membership. The FPOs collectively engage in business activities worth thousands of crores across the agricultural sector.

In India, Farmer Producer Organizations (FPOs) are playing a crucial role in the agricultural sector. The government launched scheme to form and promote 10,000 FPOs is to fulfill the aim of empowering farmers, enhancing market access, and boosting agricultural productivity. These organizations help farmers leverage economies of scale, reduce production costs, and increase their incomes through aggregation and value addition. Formation and promotion of FPOs is the first step for converting Krishi into Atma Nirbhar Krishi. This will enhance cost effective production and productivity and higher net incomes to the member of the FPO. Also improve rural economy and create job opportunities for rural youths in villages itself. This was the major step towards improving farmers’ income substantially.



Formation and Promotion of 10,000 Farmer Producer Organisations (FPOs): A Central Sector Scheme (CSS)

Formation and Promotion of the Scheme:

The Government of India has implemented the Central Sector Scheme for the “Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs),” aiming to establish 10,000 new FPOs.

Financial Support:

Under the scheme, financial assistance was provided to new FPOs, including a matching equity grant and funding for management costs.

Objectives:

FPOs aim to enable farmers to enhance their bargaining power, leverage economies of scale, reduce production costs, and increase farmers’ incomes.

Registration and Legal Structure:

FPOs can be registered under Part IXA of the Companies Act or the Co-operative Societies Act of the concerned states.

Benefits for Farmers:

FPOs help farmers access technology, inputs, finance, and markets, leading to improved income and livelihoods.

Value Addition and Marketing:

FPOs are encouraged to promote processing, branding, marketing, and export of agricultural produce, enabling them to realize better value.



Implementation and Support:

Organizations like NCDC, SFAC, and NABARD are involved in promoting and implementing FPOs.

District Level Support:

District Level Monitoring Committees (D-MCs) are established to provide approval for potential produce clusters and oversee the implementation of the scheme at the district level.

Boarding on e-NAM:

Some FPOs are also being onboarded on the e-NAM platform to enhance their access to markets. FPOs play a crucial role in addressing the many challenges small, marginal, and landless farmers face, including access to quality seeds, fertilizers, technology, and financing. By pooling resources, FPOs provide farmers with greater bargaining power, improving market access and, ultimately, income levels.

Under the scheme, each newly formed FPO receives handholding support for five years and financial assistance of up to Rs. 18 lakh over three years to cover management costs. Additional provisions include a matching equity grant of up to Rs. 2,000 per farmer member (with a limit of Rs. 15 lakh per FPO) and a credit guarantee facility of up to Rs. 2 crore to ensure access to institutional credit.

Digital and Financial Support Initiatives

A dedicated Credit Guarantee Fund (CGF) has been established to provide credit cover to financial institutions, helping FPOs access formal financing. Nearly 5,000 FPOs have been registered on the Open Network for Digital Commerce (ONDC), which enables them to sell their produce



online to a wider consumer base. Additionally, an MoU between CSC SPV and the Ministry of Agriculture will convert 10,000 FPOs into Common Services Centres (CSCs), delivering citizen-centric services and creating rural employment opportunities. With a strong focus on inclusivity, the scheme emphasises the participation of women, SC/ST farmers, and other economically weaker sections to ensure FPOs are effective and inclusive.

Outcomes

During 2020-21, a total of 2200 FPO produce clusters have been allocated for formation of FPOs, which also include specialized FPO produce clusters such as 100 FPOs for Organic, 100 FPOs for Oil seeds etc. Of these, 369 FPOs are targeted for formation during current year for formation in 115 aspirational districts in the country. As of July 2021, a total of 4465 new FPOs produce clusters have been allocated to Implementing Agencies for formation of FPOs, of which a total of 632 no. of FPOs have been registered. As per the Evaluation Report of Price water house Coopers (PwC) on FPO component titled “Impact Study - Enhanced realization of agriculture produce marketed through PCs/FCSCs under Maharashtra Agricultural Competitiveness Project (MACP)”:

- # Sale through FPCs have resulted in increased price realization by members by 22%
- # Incidence of cost of marketing is 31% lower than other channels
- # 28 percent of members have purchased inputs from PCs and it has resulted into net savings of Rs.1384 per acre.



State-wise Details of Farmer Producer Companies (2020)

Sr. No.	State	No. of Farmer Producer Companies
1	Andhra Pradesh	147
2	Arunachal Pradesh	15
3	Assam	87
4	Bihar	221
5	Chandigarh	1
6	Chattisgarh	32
7	Delhi	7
8	Gujarat	108
9	Haryana	257
10	Himachal Pradesh	7
11	Jammu and Kashmir	10
12	Jharkhand	70
13	Karnataka	195
14	Kerala	53
15	Madhya Pradesh	237
16	Maharashtra	1950
17	Manipur	26
18	Meghalaya	1
19	Mizoram	4
20	Nagaland	6
21	Odisha	177
22	Puducherry	1
23	Punjab	13
24	Rajasthan	114
25	Tamil Nadu	241
26	Telangana	119
27	Tripura	8
28	Uttar Pradesh	654
29	Uttarakhand	14
30	West Bengal	184
	Grand Total	4959



Chapter II

TRANSFORMING THE FPO ECOSYSTEM IN ODISHA

The promotion and stabilisation of Farmer Producer organizations (PSFPO 1.0) program was initiated in the year 2020 with a mandate to help in building an inclusive, collaborative ecosystem in Odisha that achieves increased profitability and sustainability of farmer collectives and improves income gains from agriculture for small-scale producers in a gender-inclusive way. The project was launched under the Department of Agriculture and Farmers' Empowerment, Government of Odisha.

The phase-I of the project focused on building an institutional ecosystem and network that can support farmer collectives in the state and provide the government with strategic insights for strengthening FPOs in the state of Odisha. This initiative has been a collaboration between international non-profit organization Tanager and global consulting firm -Palladium Consulting India Pvt Ltd, Tanager led the project with focus on strengthening and developing selective FPOs as model lighthouse FPOs. Palladium has been the Technical Support Unit to the Directorate of Horticulture, Government of Odisha in the project.

A multi-pronged approach was adopted to build institutional network at Government, FPO and ecosystem level.



Govt. level	FPO level	Ecosystem level
To design policy initiatives, schemes and mission documents for supporting FPOs in the state.	To strengthen government's capacity at State, District and Block level for guiding and facilitating the ecosystem for FPOs.	To support Govt. to establish digital governance and performance evaluation for the implementation of CSS-10,000 FPOs scheme.
To strengthen priority crops value chain covering 10-15 FPOs in the state.	To establish 10 Model/ Light House FPOs by building institutional mechanisms for market access, profitability, and sustainability of FPOs, while accelerating their adoption of innovation and technology.	To develop business plan development & conduct training and capacity building of FPOs.
To enable strong linkages with the private sector, credit and finance, and attracting investment in inclusive value chains.	To organize learning Knowledge and events, FPO conclave and stakeholder consultation workshops.	To establish partnerships with various agencies NGO's/RI's/CBBOs/ Organizations for maximizing outreach of government programs and enhanced FPOs performance and profitability.

Phase II of the PSFPO project started in October 2023 with a strategic focus on accelerating business growth of FPOs through increased market access and private sector engagement, efficient implementation of FPO centric schemes with focus on value chain upgradation and income enhancement. The mandate is to build on the achievements



of PSFPO-I by leveraging insights gained from the experience and success of the previous phase, the second phase of the PSFPO Project was initiated in November 2023. The project will continue to upscale support and accelerate business growth for FPOs with the following mandates:

- # To provide program management support and assistance for the implementation of Support to FPOs and PHM and Market assistance schemes under Directorate of Horticulture, Odisha.
- # To facilitate increase in market access for the FPOs (at least 20% of the FPOs) through increased in private sector engagement streamlining better aggregation, price discovery, value addition, procurement, marketing.
- # To accelerate business growth of the FPOs (at least 20% of the FPOs) resulting increase in annual business turnover and increased farmer participation.
- # To facilitate access to credit support to the FPOs (on SAFAL portal) through banks and NBFCs with availing credit guarantee fund facility set up by the Govt.
- # To promote 100% digitization of the FPO profiles through FPO Odisha portal with scope for online market connect.
- # To conduct policy research and advisory, knowledge management and coordination with other stakeholders for strengthening FPO ecosystem in the state.

FPO Odisha portal

It is an information and business facilitation portal aimed at bringing all the stakeholders in the FPO ecosystem



on a common forum for business linkage, information exchange and relevant services, keeping FPO as the primary stakeholder.

The portal has features and integrations which help the stakeholders to create and administer their own account, connect to relevant stakeholders, create business linkages, get information on schemes relevant to FPO and avail knowledge resources in the ecosystem. Posting grievance, availing services from other government service platform, and getting latest FPO announcements are other services available for stakeholders. Key features of the portal include:

- # Online enrolment for stakeholders.
- # Access to information on all FPO relevant schemes digitally from a single point
- # Online Profile and membership management
- # Online stakeholder mapping and connect.
- # Integration with e-licensing for seed, fertilizer, and insecticide.
- # Integration with Farmer registration portal for KYC free membership addition
- # Digitalization of stock and warehouse management by FPOs
- # Real-time aggregation and demand management by FPOs and digitization of records
- # Digitization of sales record
- # Query and grievance posting
- # Access to digital knowledge resources



With these features, the Portal brings a few services to the stakeholders' fingertips without any physical touchpoints. With increased stakeholder engagement, it is expected to have advanced features and services for business facilitation

While organizing FPOs in Odisha, these organisations are termed as the group of Farmers incorporated/ registered either under Part IXA of Companies Act or under Co-operative Societies Act to gain benefits of aggregation and increase their bargaining. FPOs are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. FPO members must believe in the ethical values of honesty, openness, social responsibility and caring for others FPO provides economy of scale through collectivization at forward and backward ends of the value chain. By aggregation at buying and selling ends and value addition FPO ensures better income realization to its farmer member.

FPO can access information on schemes relevant to them in a synthesized manner. Details on Support components, Eligibility criteria, Process of Application and Required documentation for application for each of the schemes can be accessed here. Scheme guideline document can be accessed for more information on scheme. Currently total 13 schemes including central sector and state schemes with support components for FPO are detailed on the portal. List of schemes is as follows:-

- # Equity Grant and Credit Guarantee Fund Scheme (Under 10,000 FPO, CSS)
- # Central Sector Scheme-Agriculture Infrastructure Fund



- # PM Formalization of Micro Food Enterprises
- # Warehouse Infrastructure Fund
- # Venture Capital Assistance Scheme (SFAC)
- # Pradhan Mantri Matsya Sampada Yojana
- # Rashtriya Krishi Vikas Yojana- RAFTAAR
- # Operation Greens: Price Stabilization measures, Integrated value Chain Development
- # Mission for Integrated Development
- # Paramparagat Krishi Vikas Yojana
- # Support to FPO Scheme
- # Mukhyamantri Krushi Udyoga Yojana
- # Post harvest management and marketing-support for post- harvest management in horticulture

Stakeholders can enroll on the portal and update their profile to avail various benefits from the ecosystem. FPOs, traders, institutional partners, farmers and Government are the key stakeholders, though enrolment feature is available for FPO and traders as of now. Enrolment feature provides the stakeholder the ability to create and administer their own account, update respective profile and digitization of records. For FPOs, the updated profiles provide institutional summary of the FPO, Financial strength, business output and aggregation details of FPO, Input requirement of FPO. This helps other stakeholders including traders, input service providers, granting organizations, government etc to get summary of FPO and connect with FPO of interest. In case of FPO enrolment Name of the FPO, FPO Contact Number, Email, District, Block, Gram Panchyat, Village, CIN Number/Registration Number are the data required for enrolment.



Similarly, Traders may enroll, update respective profile for public view and also post their procurement requirement. Any stakeholder from the ecosystem can search, view public profile, show interest and connect with FPOs and Traders enrolled on the FPO Odisha portal through search feature. Search can be customized specific to geography using District, block filter. Institutional, financial, and business summary of the individual FPO can be viewed on clicking on the “Know more button “of search results. Similarly, traders can be searched with details on respective company information, Single point of contact (SPOC) and Procurement requirement. The “Connect Back” feature in the public profile helps sharing mobile number and message by any stakeholder to FPO and Traders for developing contact.

Enrolling in the portal one FPO can take advantage of:

- # Direct Connection to Buyers and Traders
- # Manage and Increase membership
- # Generate sales order to buyers and sellers from one point
- # Apply e-Licenses for Seed, Fertilizers, Pesticides
- # Know about Government schemes
- # Keep updated on latest development in FPO ecosystem
- # Other important link

Basic Documents Required for Registration of FPOs in Odisha

A. Name Reservation (RUN/SPICE+)

1. Application for Name Reservation (RUN Form)

- A simple form requesting your chosen FPO name(s).
- Submit via MCA's SPICE+ portal.



- Keep 2-3 alternate names ready in case your first choice is already taken.

B. Incorporation Documents

1. Memorandum of Association (MoA)

- Outlines the FPO's objectives and scope (e.g., "to procure, process, and market pulses").
- Must be signed by all initial members (minimum 10 farmers or 2 producer institutions).

2. Articles of Association (AoA)

- Defines how your FPO will be governed (board size, meeting rules, share transfer procedures).
- Also signed by all initial members.

3. Form INC-9 (Director/Subscriber Declaration)

- Each proposed director and subscriber (member) declares that they're not disqualified under Section 164 of the Companies Act
- Signed affidavit format; attach a self-attested photo ID.

4. Form DIR-2 (Consent to Act as Director)

- Each proposed director signs this, confirming they agree to serve on the Board.
- Include a letter-head or affidavit stating citizenship and no conflict of interest

5. Director Identification Number (DIN) Application

- If any director does not already have a DIN, file DIR-3 to obtain one.



- Attach proof of identity (Aadhaar/PAN) and proof of address (voter ID, passport, etc.).

C. Member KYC and Farmer Verification

1. Farmer KYC (for each initial member)

- **Identity Proof:** Aadhaar card (mandatory).
- **Address Proof:** Voter ID / Ration Card / Driving License / Passport
- Landholding Certificate or Kissan Credit Card (KCC): to confirm “farmer” status in Odisha.
- Cancelled Cheque / Bank Passbook (member’s name): ensures correct bank details for any future grant or subsidy payments.

D. Registered Office Proof

1. Proof of Premises Ownership or Rent Agreement

- **If you own the building:** Sale Deed or Property Tax Receipt
- **If you rent:** Rent/Lease Agreement plus a No Objection Certificate (NOC) from the landlord.
- Include a recent utility bill (electricity or water) in the same name as the rent agreement/owner (not older than two months).

E. Financial and Capital Documents

1. Draft Share Certificate Template

- Shows how each farmer’s share certificate will look (member name, number of shares, unique certificate number, FPO seal).
- Signed by at least two designated signatories (e.g., Chairperson and Managing Director).



2. Bank Statement / Passbook (Initial Deposit)

- A screenshot or stamped copy showing at least 10% of RS. 5 lakh authorized capital (Rs. 50,000) deposited into the FPO's proposed bank account.
- Use a new "FPO Bank Account" if possible; otherwise, show intent via a bank letter confirming the deposit.

F. Identity and Tax Registrations (Post-Incorporation requirement)

1. PAN and TAN Application Receipts (FPO)

- Once you incorporate, you'll need a PAN for the FPO.
- Apply immediately after filing incorporation forms, and keep the acknowledgment receipt.

2. GST Registration (if turnover is likely > Rs. 40 lakh)

- Not mandatory at day-one if you expect lower turnover, but keep all member KYC and proof of business address ready.

G. Other Mandatory Statutory Filings

1. Declaration on Non-Disqualification (Form INC-9)

- see above.

2. Affidavits and Declarations (by Directors) - see DIR-

2 above.

3. Digital Signature Certificates (DSC) for AH Signatories

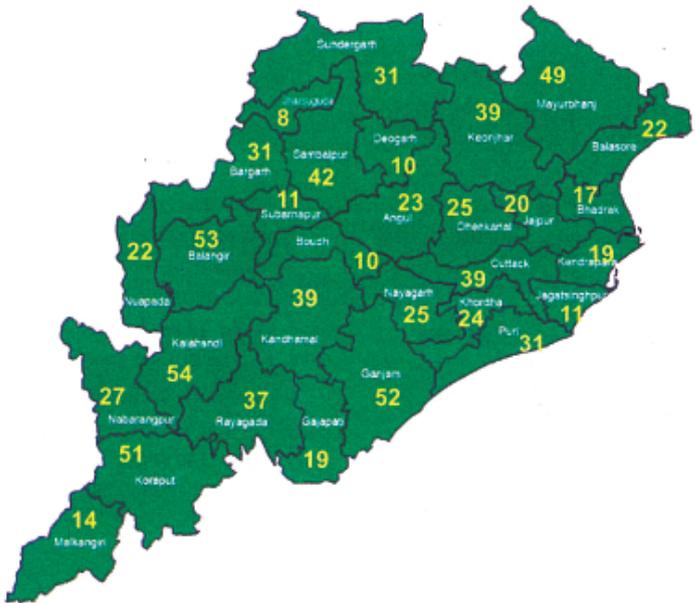
- All directors and the member uploading forms need a Class
- or Class 3 DSC.
- Apply via any MCA-empaneled certifying agency.



Chapter III

OVERVIEW OF FPO IN ODISHA

- As of January 2024, there are 962 registered FPOs in Odisha.
- Kalahandi district has the highest number of FPOs in the state.
- The highest number of FPOs are concentrated in districts like:
 - ✓ Kalahandi
 - ✓ Balangir
 - ✓ Ganjam
 - ✓ Koraput
- All 30 districts of Odisha have registered and active Farmer Producer Organization (FPOs).





Major Commodities Marketed through FPOs of Odisha

Sl No.	Commodity	No. of FPOs	Districts
1	Maize	27	Angul, Deogarh, Gajapati, Kalahandi, Keonjhar, Mayurbhanj, Nabarangpur, Nuapada, Rayagada, Sambalpur.
2	Ginger	15	Kandhamal, Koraput, Rayagada, Sambalpur
3	Chili	32	Balangir, Cuttack, Ganjam, Jharsuguda Kandhamal, Koraout Nayagarh, Rayagada, Sambalpur, Sundargarh
4	Turmeric	131	Boudh, Gajapati, Kandhamal, Koraput, Malkangiri, Nayagarh, Rayagada, Sambalpur
5	Onion	24	Angul, Balangir, Boudh, Deogarh, Mayurbhanj, Nuapada, Sambalpur, Subamapur
6	Potato	122	Angul, Balasore, Cuttack, Deogarh, Dhenkanal, Kandhamal, Keonjhar, Khordha, Koraput, Mayurbhanj, Nayagarh, Rayagada, Sambalpur, Sundargarh
7	Banana	17	Angul, Balangir, Kalahandi, Kandhamal, Sambalpur, Subarnapur



8	Pulses	105	Angul, Balangir, Balasore, Bargarh, Bhadrak, Boudh, Cuttack, Deogarh, Dhenkanal, Ganjam, Jagatsinghpur, Jajpur, Jharsuguda, Kalahandi, Kandhamal, Kendrapara, Keonjhar, Khordha, Malkangiri, Mayurbhanj, Nayagarh, Nuapada, Puri, Rayagada, Sambalpur, Sundargarh
9	Lemongrass	16	Angul, Kandhamal, Koraput, Mayurbhanj
10	Paddy	81	Balangir, Balasore, Bargarh, Bhadrak, Boudh, Cuttack, Deogarh, Gajapati, Ganjam, Jajpur, Jharsuguda, Kalahandi, Kandhamal, Kendrapara, Khordha, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Nayagarh, Nuapada, Puri, Rayagada, Sambalpur, Sundargarh
11	Millets and Ragi	140	Angul, Balangir, Bargarh, Gajapati, Kalahandi, Kandhamal, Keonjhar, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Nuapada, Rayagada, Sundargarh
12	Cashew	30	Dhenkanal, Gajapati, Ganjam, Jajpur, Kalahandi, Keonjhar, Koraout, Malkangiri, Mayurbhanj, Nabarangpur, Puri, Rayagada, Sundargarh



14	Tomato	45	Balangir, Balasore, Cuttack, Deogarh, Dhenkanal, Ganjam, Jajpur, Kandhamal, Keonjhar, Khordha, Koraput, Mayurbhanj, Nayagarh, Nuapada, Rayagada, Sambalpur, Sundargarh
14	Mango	1 67	Angul, Balangir, Bargarh, Boudh, Deogarh, Gajapati, Kalahandi, Kandhamal, Keonjhar, Koraput, Mayurbhanj, Nabarangpur, Nuapada, Rayagada, Sambalpur, Subamapur, Sundargarh
15	Tamarind	12	Rayagada, Gajapati, Koraput
16	Groundnut	17	Jagatsinghpur, Kendrapara, Cuttack, Jajpur, Dhenkanal, Angul, Bargarh, Bolangir
17	Coconut	1 3	Puri, Ganjam, Cuttack, Khurdha, Jagatsinghpur
18	Sweet Potato	3	Angul, Mayurbhanj





FORMATION AND PROMOTION OF 10,000 FPOS IN ODISHA

There are Five Implementing Agencies in Odisha:

- National Bank for Agriculture and Rural Development (NABARD)
- Small Farmers Agribusiness Consortium (SFAC)
- Foundation for Development of Rural Value Chains (FDRVC)
- National Cooperative Development Corporation (NCDC)
- National Agricultural Cooperative Marketing Federation (NAFED)

Currently, there are 29 empanelled Cluster Based Business Organizations (CBBOs) actively working collectively under the five Implementing Agencies.





Support FPO Schemes

Outlay : Rs. 313.61 Crores

Beneficiaries : 1000 FPOs In Odisha

Objective	Details
<p>To empower PPOs by ensuring increased access to remunerative markets, access to Finance and other FPO and Farmer centric interventions for building sustainable FPOs in the state of Odisha.</p>	<ul style="list-style-type: none"> • Promotional Campaign for FPOs • Capacity building and industry exposure • Access to Finance • Allocation of land on need basis • Operational and Handholding Support • Marketing Support • Management and Governance support • Performance linked Incentives to CBBOs/ POPIs • Establish Centre of Excellence for FPOs • Facilitation of Education and research on FPOs • Single window System for FPOs
<p>Pattern of Assistance</p>	<p>: Depending on the component, FPOs will be provided support on Training and Capacity building. Grant and Subsidy-based support and other services.</p>



Post-Harvest management and Marketing Support in Horticulture

Outlay : Rs. 295 Crores

Beneficiaries : FPOs and SHGs In Odisha

Objective	Details
To provide financial assistance to reduce Post Harvest Losses of about 25 - 30 % and help mobilize the WSHGs/FPOs for aggregation of their produce at cluster level and encourage value addition, processing and marketing of Horticultural produce.	<ul style="list-style-type: none">• Assistance for construction of Subjee Cooler and procurement of plastic Crates for fruits and vegetable• Transit assistance from field to aggregation point• Rent assistance for storage at aggregation point• Value addition and processing, Branding and Marketing
Pattern of Assistance	Subsidy-based (70-90%) for Subjee Coolers, Plastic Crates Transport and Rent Assistance



Mukhyamantri Krushi Udyoga Yojana (MKUY)

Legal Status : Registered

Special focus	Increased support if all FPO members are: i. Women ii. SC/ST iii. Persons with Disability (PwD) iv. Graduates in Agriculture and allied discipline
Age	Minimum 18 years
Land	Beneficiary shall have the project land in its name / spouse or leased in land for a period of minimum 15 years In the state of Odisha
Number of times of availing benefits	Beneficiary will be eligible to avail another new project after 1 year of successful management of the previous unit(s)
Pattern of Assistance	Particulars
Capital investment	I. @40% of fixed capital investment, limited
Subsidy (CIS)	to Rs. 1 Cr. per FPO II. @50% of fixed capital investment, limited to Rs. 1 Cr. per FPO (all members are women/SCST/PwD/Graduate in agri-culture and allied)



PM Formalization of Micro Food Enterprises (PMFME)

Engaged in processing	Preferably ODOP produce
Turnover (Support along value chain)	Minimum Rs. 1 crore
Turnover (Branding and Marketing support)	Minimum Rs. 5 crores
Experience in ODOP/Produce	Minimum 3 years
Cost of Project	< Present Turnover
Beneficiary Contribution	10% of project cost + margin money for working capital
Grant	@35% with credit linkage for support of common infrastructure: i. Premises for assaying of agriculture produce, sorting, grading, warehouse and cold storage at the farm*gate II. Common processing facility for processing of ODOP produce III. Incubation Centre
Training support	
Branding and marketing Assistance in preparation of DPR	For ODOP produce Rs. 50,000 per case



Operation Greens: Price Stabilization measures, Integrated value Chain Development

A) Price Stabilization measures

Crops	<p>Fruits: Mango, Banana, Guava, Kiwi, Lichi. Papaya, Citrus, Pineapple, Pomegranate, Jackfruit</p> <p>Vegetables: French beans, Bitter Gourd, Brinjal, Capsicum, Carrot, Cauliflower, Chilies (Green), Okra, Onion, Potato and Tomato</p>
Production Quantity	Minimum 100 MT
Transportation Distance	Minimum 100 KM from production cluster to consumption centre
<p>Price in notified clusters must meet any 1 of the following criteria:</p> <p>i. Price fall below preceding 3 years' average market price at the time of Harvest</p> <p>ii. Price fall more than 15% compared to last year market price at the time of harvest</p> <p>iii. Price fall less than the benchmark price for procurement, if any, fixed by the State/Central Government for a specified period</p>	
Pattern of Assistance	Particulars
Transportation	50% of the total cost
Storage	50% of the total cost (max. 3 months)



B) Integrated value Chain Development

Combined Net worth	Should not be less than the grant amount
Beneficiary contribution	10% of total project cost towards post harvest facility
Number of times	If previously availed grant by MoFPI can only apply after 1 year of successful completion of that project
Pattern of Assistance	Particulars
Eligible Projects	<ol style="list-style-type: none">1. Capacity Building of FPOs and their consortium;<ol style="list-style-type: none">i. Formation of new FPOsii. Promotional activities, training/workshop of farmers and FPOsiii. Professional management support to FPOs2. Quality Production3. Post harvest processing facilities<ol style="list-style-type: none">i. Appropriate storage at farm levelii. Collection centre (CC)/ Packhouseiii. Primary processingiv. Secondary Processingv. Appropriate transportation4. Post harvest Infrastructure (Including Cold chain development)5. Agri-logistics6. Marketing/Consumption Points
Grants in aid	70% of the eligible project cost; Max - Rs. 50 crore per project; except 35% for Post-harvest processing facilities.



Equity Grant and Credit Guarantee Fund Scheme

A) Equity Grant Scheme

Legal Status	Duly registered FPC
Equity collection by FPO	Equity raised from its Members as per Articles of Association/ Bye laws
Minimum Shareholders	50
Minimum small, marginal and landless farmer members	33%
Maximum shareholding per shareholder	5% of total equity
Maximum shareholding per institutional shareholder	10% of total equity
Paid-up capital	Up to Rs. 30,00,000
Validity of Business Plan and Budget	18 months
Women participation	At least 1 woman member in BoD
Audited Financial Statement	Statement of Accounts audited by CA for at least 1 full financial year
	If FPC <3 years then for all years
Pattern of Assistance	Particulars
Equity Grant	Upto Rs.10 lakh per FPC
Timeline for availing benefits	Within 2 yrs from first application



Equity Grant and Credit Guarantee Fund Scheme

A) Equity Grant Scheme

Equity Grant Scheme under CS Formation and Promotion of 10,000FPOs

Legal Status	Duly registered FPC, Cooperative Society formed under the CSS
Equity collection by FPO	Equity raised from its Members as per Articles of Association/ Bye laws
Minimum Shareholders	300 in plain areas; 100 in hilly areas (height of 1000 metre or above MSL)
Minimum small, marginal and landless farmer members	50%; preference to women farmers
Maximum shareholding per shareholder	10% of total equity
Validity of Business Plan and Budget	18 months
Women participation	At least 1 woman member in BoD
Management Committee of FPO	Required
Pattern of Assistance	Particulars
Equity Grant	Maximum of Rs. 15 Lakh/FPO (Rs. 2000/farmer/FPO)
Timeline for availing benefits	Within 4 years from 1st application



Equity Grant and Credit Guarantee Fund Scheme

B) Credit Guarantee Fund Scheme (CGS)

Credit Guarantee Scheme

Legal Status	Duly registered FPC
Membership	>500
Minimum small, marginal and landless former members	>33%
Equity collection by FPO	Equity raised from its Members as per Articles of Association/ Bye laws
Maximum Shareholding by a single member	>5% of total equity
Women participation	At least 1 woman member in BoD
Management Committee of FPO	Required
Validity of Business Plan and Budget	18 months
Sanction received from Bank/ELI	In 6 months of the date of application for the guarantee
Pattern of Assistance	Particulars
Credit Guarantee	85% of the eligible sanctioned credit facility/ Rs. 85 Lakh
Timeline for availing benefits	Max. 2 times over a period of 5 years



Equity Grant and Credit Guarantee Fund Scheme
B) Credit Guarantee Fund Scheme (CGS)
Equity Grant Scheme under CS Formation and
Promotion of 10,000FPOs

Legal Status	Duly registered FPC, Cooperative Society formed under the CSS
Existing FPOs	FPOs not yet received any assistance under any schemes
Equity collection by FPO	Equity raised from its Members as per Articles of Association/ Bye laws
Minimum Shareholders	300 in plain areas; 100 in hilly areas (height of 1000 metre or above MSL)
Minimum small, marginal and landless farmer members	50%; preference to women farmers
Maximum shareholding per shareholder	10% of total equity
Validity of Business Plan and Budget	18 months
Women participation	At least 1 woman member in BoD
Timeline for availing benefits	Max. 2 times over a period of 5 years
Management Committee of FPO	Required
Pattern of Assistance	Particulars
Credit Guarantee	Project loan up to: i. Rs.1 crone, GG cover= 85%; Max. Rs. 85 lakh ii. Rs. 1-2 era re, CG cover = 75%; Max. Rs. 150 lakh iii. > 2 crore, CG cover = max. upto Rs. 2 crore
Timeline	Max. 2 times over a period of 5 years



Venture Capital Assistance Scheme (SFAC)

Eligible sectors for projects	Agriculture, allied, poultry and dairy sectors
Notified Financial Institution (NFI)	Must be accepted by NFI for grant of term loan
Cost of Project	Between Rs. 15-500 lakhs (general areas) Above Rs. 10 lakhs (backward districts, hilly, NER)
Pattern of Assistance	Particulars
Venture Capital	40% of promoted equity or
	Rs. 50 lakhs
Preparation of DPR	In Agri-Export Zones, assistance to be provided through empaneled consultants/ institutions

RKVY RAFTAAR

Pattern of Assistance	Particulars
Need based support (Value- chain development)	Under Regular RKVY RAFTAAR FPOs with members >500 can be supported FPOs in less populated areas of district may be supported
Financial support for setting up agribusiness Formation of FPOs	Under Innovation and agri-entrepreneur development As per SFAC guidelines, under all streams of RKVY RAFTAAR FPOs will be promoted



Central Sector Scheme: Formation and Promotion of 10,000 FPOs

Membership	>300 (plains); >100 (hilly areas MSL >1000m)
Special focus	<ul style="list-style-type: none"> i. Small, marginal and women farmers ii. Women SHGs iii. SC/ST farmers iv. Other economically weaker categories V. Aspirational Districts (At least 1500 FPOs)
Crops	Preference to ODOP clusters
Pattern of Assistance	Particulars
FPO management cost	<ul style="list-style-type: none"> 1, One-time Registration cost up to Rs. 40,000 2. Salaries: <ul style="list-style-type: none"> i. CEO/Manager - <Rs. 25,000/month ii. Accountant-<Rs. 10,000/month 3. Office rent - <Rs. 48,000/year; 4. Utility charges - <1NR 12,000/year 5. One-time cost for minor equipment/ furniture- <Rs. 1,00,000 6. Travel/meeting cost- <Rs. 18,000/year 7. Misc. expenses - <Rs. 12,000/year



Warehouse Infrastructure Fund (WIF)

Aggregate storage under Project	Min. 5000 MT
Pattern of Assistance	Particulars
Financial Assistance	<ul style="list-style-type: none"> i. Storage infrastructure li. Cold Storage and Cold Chain Activity iii. Direct loans

Production Linked Incentive Scheme for Food Processing Industry for Millet-based products . (PLISMBP)

Outlay : Rs. 800 Crores

Beneficiaries	MSMEs: Applicants having a minimum sale of all food products of Crore in FY 2020-21 and having Udayam registration certification
Objective	Details
	The primary objective of the scheme is to encourage the use of millets in Ready to Eat (RTE) and Ready to Cook (RTC) products and incentivize them under the PLI scheme to increase the usage of millets in food products and promote its value addition and their in domestic and exports markets.
Pattern of Assistance	Agri-entrepreneurs will be eligible for sales-based incentives for millet-based products having more than 15% millet content by weight/volume under the scheme



Paramparagat Krishi Vikas Yojana

Districts covered	Baragarh, Kaiahandi, Kandhamal, Koraput, Rayagada, Nayagarh, Sambalpur, Sundargarh, Keonjhar, Ganjam, Deogarh, Gajapati, Mayurbhanj, Bolangir, Nuapada, Nabarangpur, Malkangiri and Balasore
Pattern of Assistance	Particulars (Rs. 14.95 lakhs per cluster)
100% Grant	Model Cluster Demonstration
Formation of FPOs	For all post harvest activities of organic produce within 6 months of cluster formation
Mobilization of farmers	Supporting agencies to deploy Local resource persons (LRPs)
Capacity Building	Minimum 3 trainings/year on PGS certification system and exposure visits
DBT	Organic inputs, On farm input infrastructure
Value addition infrastructure	i. Collection, aggregation/post-harvest center (1 per 5*10 groups) ii. Storage facility iii. Transportation infrastructure costs iv. Cold store/ pack house v. Processing unit (drying, grinding, milling, packaging) vi. To meet expenses related to PHM
Financial assistance	Marketing, Common Packaging, Branding, Storage and Transport



Mission for Integrated Development (MIDH)

(A) NHM and HMNEH Sub Schemes

Financial Assistance	<p>Plantation Infrastructure Development:</p> <ol style="list-style-type: none"> i. Production of Planting material ii. Establishment of new gardens (Fruits, vegetables, mushrooms, flowers, spices, aromatic plants, plantation crops) iii. Rejuvenation / replacement of senile plantation, canopy management iv. Creation of Water resources v. Protected cultivation vi. Promotion of Integrated Nutrient Management(INM) Integrated Pest Management(IPM) vii. Organic farming viii. Certification for Good Agricultural ix. Practices (GAP), Including x. Infrastructure xi. Pollination support (bee-keeping) xii. Horticulture Mechanization xiii. Technology Dissemination xiv. Human Resource Development (HRD)
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Integrated PHM:

<ol style="list-style-type: none"> i. Packhouse-50% capital cost II. Integrated pack house - Credit linked back-ended subsidy @ 35% of the cost of project (general areas) iii. Pre-cooling unit - Credit linked back-ended subsidy @ 35% of the cost of project (general areas) iv. Cold room (staging) - Credit linked back-ended subsidy @ 35% of the cost of project (general areas) v. Mobile pre-cooling unit - Credit linked back-ended subsidy @ 35% of the cost of project (general areas) vi. Cold Storage (Construction, Expansion and Modernisation) - Credit linked back-ended subsidy @ 35% of the cost of project (general areas)
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Mission for Integrated Development (MIDH)

(A) NHM and HMNEH Sub Schemes

Financial Assistance	<p>Establishment of marketing infrastructure for horticultural produce in govt./Private/ cooperative Sector:</p> <ul style="list-style-type: none"> i. Retail Markets / outlets (environmentally controlled) - Credit linked back-ended subsidy @ 35% of the capital cost of project (general) ii. Static/Mobile Vending cart/ platform with cool chamber - 50% of the cost iii. Collection, sorting/ grading, packing units - Credit linked back-ended subsidy @ 40% of the capital cost of project (general areas) iv. Quality control/ analysis lab @ 100% of the total cost to public sector and 50% of cost to private sector as credit linked back ended subsidy
(B) NHB related Activities	
Financial Assistance	<p>Development of commercial horticulture - Credit linked back-ended subsidy @ 35% of the capital cost of project (general areas)</p> <p>Capital Investment subsidy scheme (Cold storage/ refrigerated vehicles) -</p> <p>Credit linked back-ended subsidy @ 35% of the cost of project (general areas)</p>



Mission for Integrated Development (MIDH) (C) Bamboo related Activities

Financial Assistance	<p>Production of Planting Material-100% of cost to public sector and 40% of cost to private sector, as credit linked back ended subsidy Area expansion under Bamboo:</p> <ol style="list-style-type: none"> i. Forest areas/Public land-100% of cost in three installments (50:25:25) In 3 years ii. Non-Forest areas-35% of cost in 3 instillments over a period of 3 years, limited to 4 ha per beneficiary
	<p>Improvement of Existing Stock - 100% assistance to Public sector and 40% to Private sector, limited to 2 ha per beneficiary for private sector and no area limit for public sector</p> <p>Technology Transfer and HRD-100% of cost</p> <p>Pest and disease management of bamboo - 50% of cost subject to a maximum of Rs. 200/- per ha, limited to 2 ha per beneficiary</p> <p>Creation of Water resources - 100% of cost to irrigate 10 ha of command area</p> <p>Innovative interventions in bamboo -100% assistance</p> <p>Integrated post harvest management - 40% of cost as credit linked back ended subsidy</p> <p>Establishment of marketing infrastructure - Credit linked back-ended subsidy <0 35% of the capital cost of project (general areas)</p>



Mission for Integrated Development (MIDH)

(D) Coconut Development Board related Activities

Financial Assistance	<ul style="list-style-type: none">• Production and Distribution of Quality Planting material• Expansion of Area under coconut• Integrated farming for productivity improvement• Technology Demonstration / Quality Testing lab• Development of technologies - Rs.50 lakh cooperative sector• Demonstration of technologies - Rs. 25 lakh Registered Cooperative societies; Rs.10 lakh - group of farmers, private companies• Adoption of technologies - 25% of the cost• Development of technologies - Rs. 75 lakh Cooperative societies• Acquisition, training, demonstration of technologies- Rs. 25 lakh Registered Cooperative societies; Rs. 10 lakh - group of farmers, private companies• Market research - Rs. 25 lakh for cooperative societies; Rs. 12,50 lakh for other organizations• Market Promotion - (NR 25 lakh for cooperative societies; Rs. 6 lakh to federation of CPS (FPOs)• Replanting and rejuvenation of old coconut garden• Coconut palm insurance scheme• Kera suraksha insurance scheme (project based)
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Central Sector Scheme (SC) - Agriculture Infrastructure Fund (AIF)

Eligibility Criteria
1. Preference to PACS who have adopted digitization for handling Its operations.
2. Eligibility Criteria of borrowers to be decided by Lending institutions will decide criteria consultation with NABARD and monitoring committees, PM Us.
3. 24% of total grants-in-aid under the scheme should be utilized for SC/ST entrepreneurs (16% for SC and 896 for ST)
4. Lending Institutions to ensure adequate coverage of entrepreneurs belonging to women and other weaker segments of society.

Component	Pattern of Assistance
Interest Subvention	<ul style="list-style-type: none"> • All loans to have Interest subvention of 396 per annum up to a limit of Rs. 2 crore.
	<ul style="list-style-type: none"> • This subvention will be available for a maximum period of 7 years. • For loans > 2 crores: interest subvention will be limited up to 2 cron. • Minimum promoter's contribution: 10% of the project cost
Credit guarantee	<ul style="list-style-type: none"> • Credit guarantee coverage available for eligible borrowers from this financing facility under Credit Guarante Fund Trust for Micro and Small Enterprises [CGTMSE) scheme for a loan up to Rs. 2 crore. Collateral Free loans to farmers and banks with interest subventions #395 for 7 vein, • The fee for this coverage wfl be paid by the Government • In case of FPOI the credit guarantee may be availed from the facility created undsr FPO promotion scheme (CGF) of DACFW.



VGF	<ul style="list-style-type: none"> • If, required by central / state / local bodies, norms as prescribed by DEA for PPP projects will be adhered to
Convergence	<ul style="list-style-type: none"> • If, required by central / state / local bodies, norms as prescribed by DEA for PPP projects will be adhered to • Any grant or subsidy available under any present or future scheme of Central/State government can be availed for projects under this financing facility. • In cases of capital subsidy such amount shall be considered as promoters contribution. • However, a minimum of 10% of the project cost shall be mandatory as promoter's contribution

Eligibility Criteria	
1.	Max. loan amount: Rs. 2 crore In one location
2.	Projects raised in other locations by the same entity will all be eligible for loan upto Rs.2 crore.
	For a private sector entity, such as farmer, agri entrepreneur, start-up there will be a limit of maximum of 25 such projects.
	For state agencies, national and state federations of cooperatives, federations of FPOs and federation of SHGs there is no such limit
	[Location will mean physical boundary of a village or town having a district LGD (Local Government Directory) code. Each of such project should be in a location having a separate LGD (Local Government Directory) Code.]
3.	APMCs will be eligible for multiple projects (of different Infrastructure types) within their designated market area, for a loan upto Rs. 2 Crore for each project of different infrastructure types (cold storage, sorting, grading and assaying units, silos, etc.)



**Central Sector Scheme (CS) -
Agriculture Infrastructure Fund (AIF)
Crop wise eligible PHM and Primary Processing Activities**

Crops	Eligible PHM and Primary Processing Activities	Not Eligible under AIF
Cereals (Wheat, Paddy, etc)	<ul style="list-style-type: none"> • Cleaning • De-stoning • Sorting and grading • Hulling • Milling • Pounding • Grinding • Tempering • Parboiling • Soaking • Drying • Sieving • Irradiation 	<ul style="list-style-type: none"> • Fermentation • Baking • Puffing • Flaking • Frying • Extrusion • Blending • Roasting
Fruits and Vegetables	<ul style="list-style-type: none"> • Washing • Cleaning • Drying • Sorting and Grading • Blanching for primary processing • Cooling • Waxing • Conditioning 	<ul style="list-style-type: none"> • Dehydration • Concentrated products • Canning • Juice extraction • Sterilization
Oilseeds	<ul style="list-style-type: none"> • Cleaning • De-stoning • De-husking (decorticating machines) • Winnowing • Oil extraction (Ghanl, hydraulic press, etc.) 	<ul style="list-style-type: none"> • By-product utilization • Refining • Neutralization • Bleaching



Crops	Eligible PHM and Primary Processing Activities	Not Eligible under AIF
Pulses	<ul style="list-style-type: none">• Cleaning• De-stoning• Drying• So rtingand Grading• De-husking• De-huiling• Milling• Irradiation	<ul style="list-style-type: none">• Canning• Besan• Papads• Pulse based foods• Puffed chickpea• Pulse polishing
Cotton	<ul style="list-style-type: none">• Cleaning• Drying• Ginning• Pressing and Bailing• Lintering	<ul style="list-style-type: none">• Fibre finishing• Scouring• Purifying• Spinning• Weaving
Sugarcane	<ul style="list-style-type: none">• Cane unloading• Cleaning• Cane breaking• Cane mining• Straining• Evaporators• Centrifugation• Storage tanks• Dryers	
Spices	<ul style="list-style-type: none">• Cleaning• Drying• Sorting• Bolling• Polishing• Grinding• Packaging• Storage• Irradiation	<ul style="list-style-type: none">• Roasting• Sterilizing• Thermal treatment



Crops	Eligible PHM and Primary Processing Activities	Not Eligible under AIF
Coffee	<ul style="list-style-type: none"> • Cleaning • Drying of cherries • Washing a Hulling • Pulping 	<ul style="list-style-type: none"> • Roasting • Grinding • Extraction
Jute	<ul style="list-style-type: none"> • Cutting • Retting • Stripping • Washing • Drying • Bailing • Packaging and Storage 	
Cashew	<ul style="list-style-type: none"> • Cleaning • Streaming In boiler • Shell cutting • Drying • Peeling • Grading • Packaging 	
Moringa	<ul style="list-style-type: none"> • Washing • Drying • Milling • Storage • Packaging 	
Herbs and Medicinal Crops	<ul style="list-style-type: none"> • Cleaning • Sorting • Drying 	<ul style="list-style-type: none"> • Syrup • Pills • Cream • Roasting • Frying • Distillation • Concentration



Chapter IV

A STUDY OF NABARD ON FPOs FOR SUSTAINABILITY

The study of NABARD on FPOs across Bihar, Maharashtra, Odisha, and Madhya Pradesh, identified some important points .

1. Overemphasis on grant-funded start ups:

Many FPOs, particularly those formed under the 10,000 FPO scheme, were driven more by the pursuit of government grants than by sustainable business models. After the initial funding phase, these FPOs struggle to operate without further financial support, leading to performance challenges or even closure. Ironically, older FPOs that have operated without grants before the scheme's launch receive no similar support, despite having successfully sustained operations.

2. Lack of long-term vision and mismanagement:

Many new FPOs were established without proper planning, market research, or leadership training, resulting in poor management. This lack of clear strategy and technical expertise often led to operational failures, with some FPOs failing to develop viable income-generating models and becoming overly dependent on grants.



3. Focus on quantity over quality:

The government's target to establish 10,000 FPOs created a focus on numbers rather than quality. Many FPOs were formed just to meet these targets, without adequate support systems or plans for member engagement, leading to weak operational foundations.

4. Sustainability challenges:

After initial funding, many FPOs struggle with market access, value addition, and aggregation. Without strong market linkages or infrastructure for processing and storage, many FPOs are unable to diversify products or improve profitability. This makes long-term sustainability difficult.

5. Insufficient capacity building and training:

Many FPOs lack essential training in business management, marketing, and organizational skills. The FPO's Producer Organization Promotion Institution (POPI) or cluster-based business organizations (CBBOs) do assist with training, but practical application remains a challenge for many FPOs.

6. Limited market access:

A significant hurdle for many FPOs is securing reliable market access, often selling at low prices or through middlemen. This limits their ability to offer better earnings for members and hampers growth potential.

7. Inadequate member participation:

Many FPOs struggle with low member engagement, which hampers decision-making and weakens overall support for organizational activities. Without active participation, executing plans becomes challenging.



8. Regulatory and administrative challenges:

Navigating complex administrative requirements and legal frameworks can be burdensome, especially for smaller FPOs with limited management experience. These hurdles discourage some from maintaining active status.

9. Infrastructure and logistics shortages:

Inadequate infrastructure, including storage, transportation, and processing facilities, particularly in remote areas, affects FPOs' ability to add value to products, avoid spoilage, or reduce costs.

10. Leadership challenges:

The task of an FPO's CEO is tough and often leads to disincentives and burnout. The existing salary for CEOs (often Rs. 25,000/month) is low making it difficult to attract or retain skilled leadership. This further affects the effectiveness of FPOs.

Some key policy suggestions to improve the effectiveness of FPOs (As per NABARD):

1. Create a digital decision dashboard:

A national-level repository for all FPOs can track key data such as area of operation (crop types, fisheries, etc.), financial performance, and membership demographics. This dashboard would facilitate two-way communication between the government and the FPOs, help monitor performance, provide feedback, and align government schemes more effectively.

2. Customize support to FPOs using analytics:

By assessing FPOs based on age, turnover, and turnover per member, analytics can determine the type of



support required (capacity building, credit, and market linkages). This would ensure targeted interventions like business development for older FPOs with low turnover and financial support for younger ones with high turnover.

3. Focus areas for FPOs:

Metrics derived from the dashboard can categorize FPOs based on geography, commodity, and policy focus (e.g., sustainability, income generation, and climate resilience). This would guide policy decisions and provide snapshots at both state and national levels.

4. Review FPO member criteria:

Rethinking the minimum number of farmers per FPO and FPOs per block could help align with local agricultural contexts. The focus should shift from strict member counts to land-based criteria, and regional discussions on block-level distribution should be encouraged to avoid competition and operational challenges.

5. Formulate award and reward systems:

A tiered reward system for FPOs, based on factors like productivity, innovation, and social impact, can motivate excellence and best practices. This system would recognize both small and large FPOs, fostering a culture of continuous improvement.

6. Incentive systems for leadership sustainability:

Providing competitive remuneration and performance-based incentives for CEOs and Board of Directors (BODs) will help ensure leadership stability and active participation in FPO management. Regularly



reviewing the compensation structure can align it with the needs and goals of each FPO.

Addressing these operational and structural issues is crucial for transforming FPOs into sustainable, thriving organizations. Analyse the organisational and management structure of FPOs, their effectiveness in operations and governance.

- Assess the utility and effectiveness of training and capacity-building interventions for making the FPOs vibrant and suggest further measures, if any.
- Evaluate the impact of various FPO activities on member farmers' gross and net income on account of timely input supply, productivity increase, crop diversification, mechanisation of farm operations, aggregate produce marketing, diversified marketing interventions, value addition of produce, etc.
- Understand the current business models and credit linkages to the FPOs and suggest new business models.
- Study the social, financial, and economic impact of individual members through collectivisation.
- Assess the level of convergence with other stakeholders and their schemes, if any, such as State Governments, corporate, technology institutes, etc., in the operations of FPOs.
- Identify bottlenecks, inadequacies, etc., in the FPO ecosystem for the long-term sustainability of FPOs and suggest appropriate remedial measures for achieving desired results.



Outcomes of the studies of NABARD

- 71% of non-members equivalent to the existing membership has availed benefits from the FPOs
- Active participation of 66% of the members in FPOs
- Women share a predominant and equal role in management with 52% holding positions as BODs whereas men constitute 48% in board
- 45% of the FPOs have their Boards constituted with only women directors and 20% of FPOs are only women FPOs
- 25% of the FPOs are maintaining bookkeeping on par with the set standards; 75% of the FPOs have computerised accounting systems
- 90% of the FPOs have well documented Business Development Plan (BDP) whereas only 45% of the FPOs could manage to limit the variance of activities to BDP within 30%
- 30 % of the FPOs have not provided any exposure visits to the CEOs
- 10% of the FPOs are operating without CEOs and 15% of the FPOs have CEOs with less than one year of association with their respective FPO. There are no women CEOs in the FPOs taken for the study.
- Only 25% of the FPOs taken for the study have CEOs with more than 5 years of relevant field experiences
- 25% of the FPOs are still using manual accounting systems and not upgraded to MIS as the Accountants lack technical skills in handling MIS/ Tally



- 70% of the FPOs have paid penalties at least once for not meeting the legal compliances
- 30% of FPOs have a variance of more than 60% concerning the adherence to their Business Development Plans.
- Only 25% of FPOs own infrastructure facilities such as storage godowns, processing facilities, and own outlets.
- Only 15 % of FPOs have established branding and the remaining 85 % of the FPOs are yet to decide on their USP to have a better pitch in the market
- 20% of the FPOs have accessed e-marketing through e-nam, although 100% of the FPOs have registered with e-Nam trading.
- 10% of the FPOs are still handing single products resulting in price risk due to higher market fluctuations.

FPO Assessment Tool (Developed by NABARD):

The assessment tool for FPOs has been grouped under four broad parameters, namely Governance and Management, Business and Operations, Processes and Systems, and Financial Performance. Across the four parameters, there are 22 key indicators and each indicator is scored between 1 and 4 (4 being the highest and 1 being the lowest) depending on the observation of the status on that variable in the FPO. Each of the four parameters is assigned equal weightage (assuming that all indicators are equally important for these FPOs) out of a total possible 100%. An overall score of 3.5 and above can be considered a good score as per the standards and weightage. The weights



are for indicative purposes and can be modified based on the internal requirement. The outcomes of the study are :

- Only 15% of the FPOs are performing well in all four parameters of the FPO assessment tool. • Almost 30 % of the FPOs have a membership base of less than 500.
- 90% of the FPOs have complied with the statutory filings.
- 35% of the FPOs scored less than 2.5 out of 4 in Management and Governance, 25% of the FPOs are performing below 2.5 out of 4 in financial performance and are loss-making, 20% of the FPOs have scored less than 2.5 out of 4 in Processes and Systems and 15% FPOs are performing below 2.5 out of 4 in terms of Business and Operations.
- iii Member Profile Analysis
- Small and Marginal Farmers constitute more than three-fifth of the enrolled members.
- The average attendance in BOD meetings is 81% whereas, in AGMs, only 63% of attendance is recorded.
- 78% of the members have attended training on awareness about FPO and its aspects.
- 65% of the members reported that they received the input services on time and 54% reported that it was lesser than the market price and 26% reported that it was superior in quality.
- 85.6% of the members received a share certificate whereas the remaining 14.4% falls into the category of not received or yet to receive the share certificate.
- 72% of the respondents of the member study profile



have not had any exposure visits and only 12% of the members have attended training for more than 10 days through FPOs.

- 55% of the members received support in aggregation and storage and only 45% of the members were able to seek support in processing and value addition of the produce.
- 56% of member respondents received hired transportation services through their FPOs whereas only 7 % of the FPOs have their transportation facilities.
- 78% of the members received marketing services through association with FPOs.

Out of the 100 FPOs promoted by NABARD in Odisha, all are registered under the Company Act, 2013. The majority of these FPOs are engaged in business activities like input distribution to members, produce aggregation and direct marketing to the retail units, local mandis or institutional buyers, etc. As of 31st March 2020, 83 FPOs promoted under PRODUCE Fund have been reported as completed.

Selection of FPOs: The selection of FPOs was based on different criteria like commodities/crops, activity, and services they offer, age profile, nature of promoting institutions (POPIs), etc. The FPOs are so selected that the sample will represent the geographical representation with respect to the agroclimatic zone, the scope for product diversifications, nature of business, and representation from different POPIs across the state of Odisha. Accordingly, 20 FPOs were purposively selected for study covering different areas.



Major observations

A. Related to Board of Management

- Wherever the “bottom-up” model was followed, the level of trust among shareholders and CIGs regarding the governance of the FPOs was quite high
- The FPOs which are already in the progressive stage like Panteswari, Swarnajyoti, Danteswari, Odisha, Bhimpahad, Prabir, and Budhasambar FPOs, the Board plays a very proactive role in the decision-making process whereas in other FPOs, Board members still think the FPO to be the brainchild of POPI and it is the responsibility of POPI to manage the entire operations and management
- The study did not find any conflict of interest related to the nomination or selection of BoDs or due to vested interest
- The problem of the Chairman receiving undue favors from the Board was not observed in any of the FPOs studied
- In general, Board members need to invest significant time and energy in the FPO. Consequently, only the more influential and resourceful shareholders in the FPO can realistically be a part of the Board. However, in the case of two FPOs (Danteswari and Mahamayee), it was seen that the Chairman and a few board members were politically and socially active persons and they all belonged to a single community
- The provision for incentivization for the Board members/directors for propelling the business is



found not to be closely followed in any of the FPOs under study except Patneswari Agri PC.

B. Board of Directors - Roles and Responsibilities

The Boards of FPOs are meant to keep oversight over the functioning of the FPOs. The study revealed that in the Board meetings, the topics that come up for discussion include various issues related to monthly business transactions, seasonal planning, long-term business planning, membership expansion, fund mobilization, and other general and miscellaneous matters. Further, in most of the FPOs studied, it was found that the Board members were involved in day-to-day activities such as input demand generation, distribution, stock maintenance, etc.

A transparent FPO is likely to be more successful in terms of its connection with the members. Regular meetings are essential to ensure communication with the members and to ensure transparency in FPO's operations. As part of the survey, questions were asked to the producer members about various FPO meetings they have attended, including the BOD meetings and the Annual General Body Meeting (AGM).AGM being an important meeting, the FPOs put effort to ensure the participation of its members in this meeting. FPO sends timely communication about AGM to its members. The meeting agenda and Information are circulated to the BODs and members through different modes of communication like letters, Mobile SMS, Personal invites, and messenger, etc. The meeting minutes are recorded in respective resolution registers, and the resolutions taken are circulated to members through the respective board members.



C. Record-Keeping and Submission of Statutory Returns

FPOs being bankable entity are required to comply with the mandates related to maintenance of accounts for their operations and preparation of financial statements. Besides, there is a need to assess the operational performance of these entities to know the benefits that have accrued to farmers due to their association with FPOs. Against this background, maintenance of proper books of accounts and other subsidiary registers assumes significance. Each FPO should maintain the following records/ books to facilitate legal compliance and evaluate its performance (Table 3)

Table 2. List of Records to be maintained by FPO

Financial Books	Non-Financial Books
1. Cash Book	1. Members' Profile Register
2. Bank Book	2. Members' Progress Register
3. Bank Reconciliation Statement	3. Minutes Book/Register
4. Journal	4. Member Pass Book
5. Ledger	5. BOD register
6. Share Capital Register	6. AGM Register
7. Subsidiary Books	7. Input (Purchase, Sale and Stock) Register(ii) Produce (Purchase, Sale and Stock) Register

Competence and Capacity of CEO As per the producer company act, every producer company shall have a full-time Chief Executive Officer (CEO) appointed by the board from persons other than members. The CEO is accountable to



ensure all parts of the company work smoothly to enable an efficient business and day-to-day functioning of the Producer Company with a major role in the formulation of goals, objectives, strategic plans, and company policies.(a) understanding the FPO rules and regulations, (b) statutory requirements to the RoC, (c) business plan of the FPO, (d) Government schemes, (e) leadership, (f) basic accounting and record-keeping, and several such aspects as the need are felt

D. Convergence

The FPOs have built an adequate network of external stakeholders which includes Technical Institutions, Financial Institutions, Private Companies, Promoting Institutions, Corporates, Government Departments, and other business entities including local market vendors, seed companies, and mandis to leverage support and ensure smooth functioning of the FPO activities. The various financial institutions associated with the FPOs are NABARD, SBI, Syndicate/ Canara Bank, Nabkisan, Sammunati Finance, Rang De, and other NBFCs. IFFCO, Kisle Kisan, Schneider, Bharat Pesticides, Jain Irrigation, Selco Foundation, Reliance Fresh, Pasupati Group, Sun King are the Private companies/ Corporates associated with the FPOs. Adequate training and capacity building of the FPOs are facilitated by the technical institutions like Kisle Kisan, ORMAS, FIFA, NAFED, and State Line Departments – Agriculture, Animal Husbandry, Horticulture, Fishery and Forest Departments, Krishi Vigyan Kendras, Odisha Livelihoods Mission, Cotton Corporation of India and RWSS (Rural Water and Sanitation Scheme). The POPIs like Harsha trust, SWATI, Surakhya, SG Foundation, SVA have mostly facilitated the convergence of FPOs with various line departments.



Challenges and the Remedial Measures

- a. **Branding:** Branding helps to create customer demand and thereby giving producers better leverage in negotiations for their produce. Establishing its brand turned out to be a major challenge for the FPOs due to the lack of clarity in which product to be promoted among the FPO's product basket, poor Infrastructure, etc. The study shows that only 15 % of the FPOs have established branding and the remaining 85 % of the FPOs are yet to decide on their USP to have a better pitch in the market.
- b. **Lack of Inadequate Professional Management:** Farmers' Organisations are required to be efficiently managed by experienced, trained, and professionally qualified CEO and other personnel under the supervision and control of democratically elected Boards of Directors. However, such trained human resources are presently not available in the rural space to manage the FPO business professionally. Only 25% of the FPOs taken for the study have CEOs with more than 5 years of relevant field experience.
- c. **Inadequate access to credit:** The FPOs have limited access to working capital mobilisation. Lack of access to affordable credit for want of collaterals and credit history is one of the major constraints faced by these FPOs. (Based on qualitative analysis, FGDs, and interactions)
- d. **Lack of Risk Mitigation Mechanism:** FPOs dealing with single products, perishables, and livestock (SWFPOL) do not provide a buffer to market risks.



These FPOs lack proper Price Risk Hedging mechanisms to deal with market fluctuations, thus leading to lesser profits realisation. Presently, while the risks related to production at the producer's level are partly covered under the existing crop/livestock / other insurance schemes, there is no provision to cover the business risks of FPOs. 10% of the FPOs are still handling single products resulting in price risk due to higher market fluctuations.

- e. **Inadequate Access to Market:** Marketing of produce at remunerative prices is the most critical requirement for the success of FPOs. Corporate producers largely fix the input prices. The cultivators lose through the complex gamut of market processes in the input and output prices. Market Information, Market research, and outreach are inadequate.
- f. **Inadequate Access to Infrastructure:** The producers' collectives have inadequate access to the basic infrastructure required for aggregation like transport facilities, storage, value addition (cleaning, grading, sorting, etc.), and processing, brand building, and marketing. Only 25% of FPOs own infrastructure facilities such as storage Godowns, processing facilities, and own outlets.
- g. **Lack of Technical Skills Awareness :** Inadequate awareness among the farmers about the potential benefits of collectivisation and the nonavailability of competent agencies for providing handholding support is another major issue that the FPO faces. Further, lack of legal and technical knowledge about various Acts and Regulations related to the formation



of FPOs and statutory compliances also serves to be an impeding factor.

Major findings of the study:

- Active participation of 66% of the members in the FPO.
- Women share a predominant and equal role in the management, with 52% holding positions as BODs, whereas men constitute 48% in the Board.
- 45% of the FPOs have their Boards constituted with only women directors, and 20% of FPOs are only women FPOs.
- 25% of the FPOs are maintaining bookkeeping on par with the set standards; 75% of the FPOs have computerised accounting systems.
- 90% of the FPOs have a well-documented Business Development Plan, whereas only 45% of the FPOs could limit the variance of activities to BDP within 30%.
- 30 % of the FPOs have not provided any exposure visits to the CEOs.
- 10% of the FPOs are operating without CEOs, and 15% of the FPOs have CEOs with less than one year of association with their respective FPO. There are no women CEOs in the FPOs taken for the study.
- Only 25% of the FPOs have their CEOs with more than five years of relevant field experience. · 25% of the FPOs are still using manual accounting systems and not upgraded to MIS as the Accountants lack technical skills in handling MIS/Tally.
- 70% of the FPOs have paid penalties at least once for not meeting the legal compliances.



- 30% of FPOs have a variance of more than 60% regarding adherence to their Business Development Plans.
- Only 25% of FPOs own infrastructure facilities such as storage godowns, processing facilities, and own outlets.
- Only 15 % of FPOs have established branding whereas the remaining 85 % of the FPOs are yet to decide on their USP to have a better hold in the market.
- 20% of the FPOs have accessed e-marketing through e-nam, although 100% of the FPOs have registered with e-nam trading. 71% of non-members equivalent to the existing members have availed benefits from the FPOs.
- 10% of the FPOs are still handing single products resulting in the price risk due to higher market fluctuations.
- Small and Marginal Farmers constitute more than three-fifths of the enrolled members.
- The average attendance in BOD meetings is 81%, whereas, in AGMs, only 63% of attendance is recorded.
- 78% of the members have attended training on awareness about FPOs and their aspects.
- In terms of inputs, 65% reported that they received the input services on time and 54% reported that it was lesser than the market price, and 26% reported that it was superior in quality.
- 85.6% of the members received a share certificate whereas the remaining 14.4% fall into the category of not received or yet to receive the share certificate.



- 72% of the member study profile respondents have not had any exposure visits, and only 12% of the members have attended training for more than ten days through FPOs.
- 55% of the members received support in aggregation and storage, and only 45% of the members were able to seek support in processing and value addition of the produce.
- 56% of member respondents received hired transportation services through their FPOs, whereas only 7 % of the FPOs have transportation facilities.
- 78% of the members received marketing services through association with FPOs

Management and Governance

Governance is a good indicator of an FPO's present and future potential. The supporting promoting agency has a key role in improving the quality of Governance for FPOs. The quality of governance refers to the ability of the elected board members to lead in business strategy and execution, in conjunction with the management and promoting institution, to involve and engage the members through regular participation and interaction on relevant market trends and resultant strategies. The following recommendations are made to improvise the Management and Governance of the FPOs:

- Increasing the membership base of the FPOs, which are having a membership of less than 500. ·Increasing the number of board members in the FPOs having a board size of less than ten and ensuring an equal number of women BODs in the FPOs.



- Board members need regular capacity building upon good management practices and help them develop their business and MIS skills.
- Improving the quality of the board by electing deserving members with more than 3-5 years of relevant experience in farming as well as in PC's operations and capacity building of existing board members on leadership, federation concept, federation management, financial management, linkages, input and output management, etc.
- Capacity building and awareness enhancement in the maintenance of meeting registers/minutes records to keep the members informed on various decisions and resolutions taken at the Board meetings and AGMs with proper compliances.
- Appointing CEOs with adequate educational qualification and relevant experience in the FPOs functioning without CEOs; Assessing the current knowledge/experience of CEOs and capacity building of CEOs through adequate training, exposure visits, and knowledge programs to improve their awareness levels; replacing non-functional/irrelevant CEOs with experienced CEOs. Board needs to understand that the role of the CEO and keep this position out of the clutches of local politics.
- Appointing appropriate second line of management in all possible operations of the FPOs through internal committees on marketing, finance, sales, and operations.
- Enhancing the quality of the existing second line of management through training to assist CEOs in a well-defined manner and take up leadership roles.



- Encouraging women to the forefront for taking up leadership roles assume higher importance. · Increasing the participation of members in meetings and programs oriented and organized by the FPOs through awareness programs, field visits, exposures, etc., to increase the participation levels to more than 75% in the FPOs.
- Seeking/Reaching out to the promoting agency for more handholding support and playing an active role in finance, governance, and management of the FPOs' day-to-day operations till the FPO reaches the level of self-sufficiency.
- A state-level or district-level knowledge forum needs to be formed for FPOs, which should be guided under the agriculture department or relevant capable government bodies

Business and Operations

Business and Operations serve to be the core for any business entity. Every FPO focuses on creating value for the members by solving existing problems in the value chain, marketing, and reasonable share of price realization in the rupee spent by the consumer on the members' produce. Business and Operations comprise all the activities/services that the FPO takes up to engage the members comprehensively throughout the year and reduce their expenditures and increase their welfare. FPOs help reduces transaction costs and provides a forum for members to share information, coordinate activities, and make collective decisions. FPOs can bring about vertical integration in the traditional fragmented supply chains with need-based long-



term business plans. A few recommendations to improve the Business and Operations of the FPOs are,

- Identifying FPOs handling single products and enhancing the FPO's product portfolio by encouraging product diversification.
- Identifying the USP of each FPO and strengthening the business of the FPOs in line with their product basket through brand building and market linkages.
- Increasing visibility through the presence in technology forums and social media, promotion of FPO's achievements in Community radio through interviews, a regular presence in local channels, sharing success stories in local newspapers, adequate documentation, and publications in peer-reviewed journals through adequate partnerships and networking.
- Ensuring adequate risk mitigation mechanisms are set in place to reduce losses incurred by the FPOs through price risk hedging strategies through NCDEX and other media.
- Ensuring proper forward and backward linkages of the FPOs – linking FPOs to input suppliers, technology providers, and market players.
- Improving market Linkages - Enhancing the market opportunities by identifying the consumers' local market needs and having appropriate tie-ups / associations with the Industry/ other market players, large retailers, private vendors, etc., for the sale of its produce.



- Exploring and identifying opportunities with other external lenders for seamless business operations.
- FPO should focus on few commodities (preferably 2-3) and should work on the end-to-end value chain of these commodities to achieve economies of scale.
- Leverage Government schemes and strong associations with the line departments for better market linkages.
- FPOs are failing because members do not think beyond their produce, aggregation, and profits. It is very much required that social responsiveness should be attached to these institutions from the evolution phase.
- FPOs need regular guidance and capacity building, best practices, other technical inputs related to weather, genetically modified seeds, etc.

Processes and Systems

FPOs being bankable entity are required to comply with the mandates related to maintenance of accounts for their operations and preparation of financial statements. Besides, there is a need to assess the operational performance of these entities to know the benefits that have accrued to farmers due to their association with FPOs. Thus, adhering to processes and systems with appropriate documentation serves as an internal monitoring tool for the FPO. Compliance with regulatory and 56 statutory requirements is critical, especially in the current time when stiff penalties for delays can erode the FPO's net worth. Against this background, maintenance of proper books of accounts and other subsidiary registers assumes significance. Each FPO should maintain the records/ books



to facilitate legal compliance and evaluate its performance. The following are the key recommendations to improve the Processes and Systems of the FPOs taken for the study:

- It requires a unique appraisal process as it is a blend of commercial and social institutions.
- A standard set of the scoring model is required for FPOs in different phases for helping financial institutions, private agencies, CSR agencies, and other stakeholders to understand the correct picture of the institution before giving resources.
- A standard MIS solution is required to be pushed by the government and other implementing agencies.
- Auditors and CEOs of FPO need to be guided on their MIS-related duties, with strict actions on the error and fudged data.
- Adequate support by POPI and partner agencies in streamlining accounts and MIS systems.
- Adopting digitization of accounting systems in the FPOs currently following the manual system of accounting; Identifying capable accountants and capacitating them to adopt MIS systems for accounting.
- Training accountants and finance professionals of the FPOs on Book Keeping, Statutory Filings, Legal Compliances, and internal audits
- A thorough internal scrutinization of FPO records/ registers, and gearing up the bookkeeping/ updating activities to meet the standards.
- Ensuring more than 50% of the stock being insured against fire or theft; Reconciliation of stocks on a



monthly or regular basis with executive committee support from the second line of management

- Checking the credit record of the FPO, identifying the reasons for delays/defaults, and rectifying the faults so that no delays or defaults in the credit record are made in the future.
- Encouraging leadership and BODs to conduct an internal audit regularly and reconcile default systems and processes through cross-review and monitoring mechanisms
- Ensuring all transactions of the FPOs through bank accounts/ cheques and reducing the cash dealing with less than 20% of the overall financial transaction of the FPOs.

Financial Performance

The financial performance of the FPOs shows the health status of the FPO and its progress towards business prospects and its vision. Bookkeeping helps to track the record of day-to-day transactions through financial statements viz. PandL A/c, Balance Sheet and cash flow statement, cash, and bank balances, assets and liabilities belonging to the FPOs, thus helping to ascertain the profit or loss of the business transactions. The following recommendations are being made to encourage a healthy financial performance in the FPOs.

- Identifying the low performing/ loss-making product lines of the FPOs and take necessary steps to eliminate factors contributing to losses, thus improving the financial efficiency of the business



- Using appropriate business analysis tools to understand the internal and external factors of the business - Strengths, Weaknesses, Opportunities, and Threats and take suitable business decisions.
- Revisiting business planning and market analysis strategies of the product lines and seeking support/ advice of the partner agencies in reconsideration of product portfolio and improvisation of the FPO's product basket
- Exploring other business opportunities as a risk mitigation strategy and adopting suitable price risk hedging to reduce losses.
- Rendering technical services, consultancy services, training, research and development, and all other activities to promote the interests of the producer members.
- Supporting producer members with adequate input supply and technical assistance to enhance productivity and contribute more to the revenue of the FPO, thus ensuring that the debt to net-worth of the FPO is not more than three times.
- Monitor and supervise the entire value chain and identify the loopholes and get them addressed at all levels – production, processing, and marketing.
- Leveraging collective strength and bargaining power to access financial and non-financial inputs and services and appropriate technologies lead to reduced transaction costs. Members can also collectively tap high-value markets and enter into partnerships with private entities on equitable terms for better returns.



Chapter V

CASE STUDY OF SUCCESSFUL FPOs OF ODISHA Mandasuni Onion Agro Producer Company Ltd. Tileibani, Deogarh

Year of Establishment : 2019

No. of Shareholders: 1035

Credit Linkage Partners: State Bank of India, NAB-KISAN

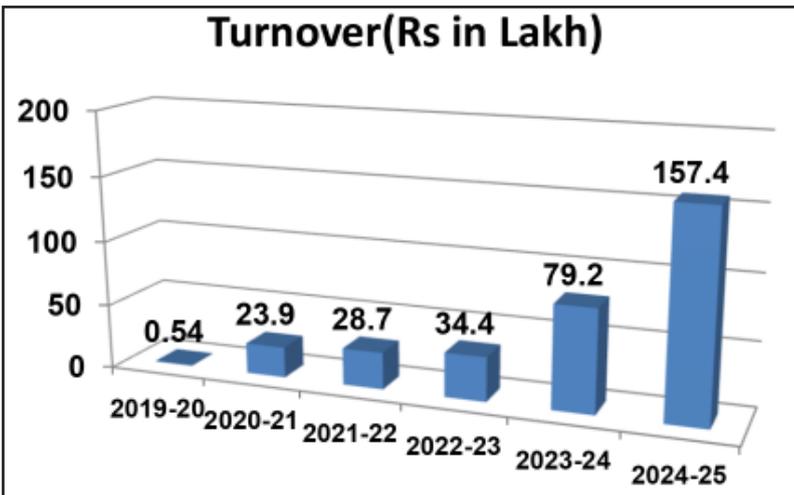
Major Activities:

Encouraging the production of Onion, Groundnut, Millet, Watermelon and Mango through critical interventions of State Agriculture, Horticulture Departments and KVK.

Marketing of the above products after sorting, grading and processing followed by branding in the name of FPO.

Other Activities: Seed and Fertilizer input supply

Convergence: District Agricultural Department, District Horticulture Department, KVK, OUAT, Odisha Millet Mission etc.





Kandribudhi Vegetable Producer Company Ltd

Laimura, Tileibani, Deogarh

Year of Establishment : 2019

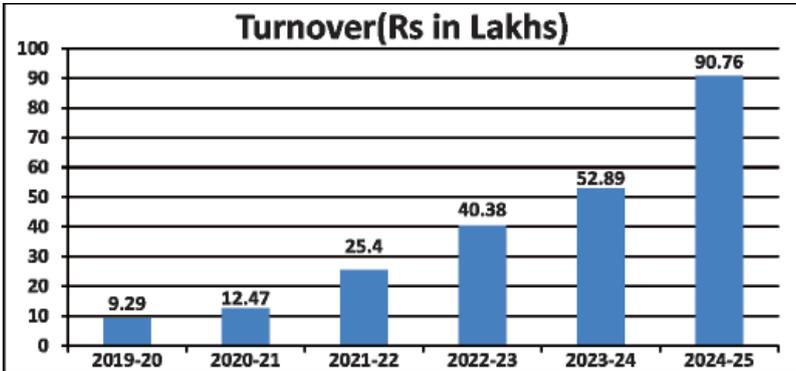
No. of Shareholders: 752

Activity: Production and Marketing of Vegetable (Pulses & Oilseeds), Vermicompost, Fruits & Vegetable Nursery, Papaya, Sweet Potato, Turmeric, Pineapple, Mango & Cashew & NTFP.

Support Received:

Name of the Department	Type of convergence	Amount (in lakh)
KVK	Technical knowledge, Training, Exposure & Input support to Papaya	0.58
Horticulture Department	Potato, Lemon Grass, Papaya Cultivation, Turmeric, Drip Irrigation	19.09
NABARD	Orchard Development in 500 Acre	295.0
	Mobile Van	8.0
	Cashew Processing Unit	12.0
CTCRI	Sweet Potato	0.30
OUAT, Patangi	Black pepper Seedlings (30000 Seedling), Ginger & Turmeric	1.0
ITDA, Tileibani	Cashew Processing Unit Shed	8.35
Agriculture Department	Mustard	0.43
APICOL	Rice rubber seller	4.0
Dept. of Soil Conservation	Mango Pulp Processing Unit	20.0
	Cold Press Oil Processing Unit	10.0

Other Activities: Seed, Seedlings and Fertilizer input supply



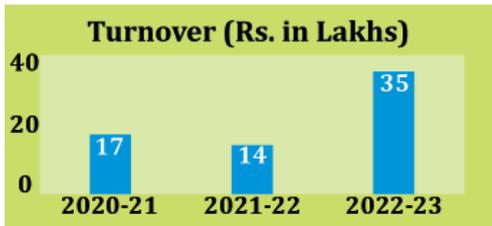
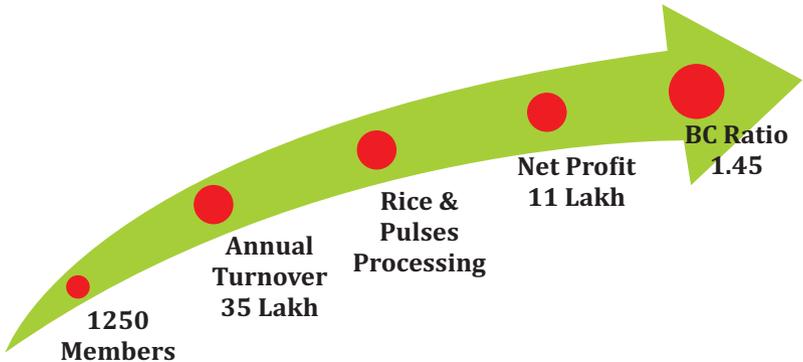
Details of Interventions: FPO organised the tribal farmers and started Papaya cultivation with the support of Horticulture Dept and technical guidance of KVK. They sold the raw papaya in the period may to october at the price of 20 per kg. to the RNC, Sambalpur. Getting the fund assistance from Nabkisan and the transporting vechile, the selling of produce became easy. They also went for intorcropping of Pineapple, Mustard, Termeric and various vegetables. Good quality Cashew saplings were provided by Dist horticulture dept. which led to establishment of processing plant. Vermicompost units were established and produced compost are sold. It helped farmers to increase their income from @ Rs. 60,000/- to Rs. 87,000/- from the barren lands.





Bhairabi Women Agro Producer Co. Ltd. Sanakhemundi, Ganjam.

Year of Establishment : 2016



Convergence Benefits

- Capacity Building on FPO mgt.
- Technical Support on Rice/Pulse.
- Value Addition
- Market Linkage e-NAM Portal and Outside Traders
- Rice Var. Kalabati, Kalamalli



100 gms Black Rice Contains

- 4.9 gm Fibre
- 8.5 gm Proteins
- 3.5 mg Iron

Production of Black Rice

Activities:

More than 1000 FPO Members produce Black Rice followed by the processing and marketing of Rice.



Ghumusara Farmers Producer Organization Jagannathprasad, Ganjam

Year of Establishment : 2021

No. of Shareholders: 560

Support from NABARD : PODF-ID-Programme-Formation, Promotion, Market Linkage of Ghumusara Farmers Procuer Organization (FPO) covering 560 farmers across 7 GPs of Jagannathprasad block of Ganjam through PIA-BMASS.

Activities undertaken by FPO:

- ✓ Agriculture input Management -Seed supply to 500 to 600 farmers annually. Farmers get tangible benefits of Rs.500 to Rs.1200 per year and avail quality, timely and choice inputs.
- ✓ Procurement of surplus produces Vegetable, pulses, millets, maize , cotton through e-NAM, corporate byers (Big Basket) and Traders (Rs.113. 60 Lakhs business in FY-2024-25).
- ✓ Management of cotton procurement and Custom Hiring Centre (CHC) under Department of Agriculture and Farmer Empowerment, GoO covering 15 farmers.
- ✓ Market linkage, capacity building, Farmers mobilization activities under Mukhyamantri Maka Mission, Govt of Odisha covering 200 farmers.
- ✓ Promotion of 100 Acres of cultivation of sesamum through RKVY programme of ICRISAT. 170 Farmers benefited and change of cultivation practices.
- ✓ Construction of water Harvesting structure, coverage of 100 ha of farming land, convert to non-paddy activity like maize and vegetables.



- ✓ Mobilization of 69 Farmers under Potato Mission, cultivated 40 hectors of land during Rabi 2024-25.
- ✓ Installation of automatic weather station at farmers field with support from ICRISAT
- ✓ Aailed loan amount of Rs. 5 Lakhs from NABKISAN and Rs.10 Lakhs from Odisha Grameen Bank.
- ✓ More than Rs.16.80 lakhs transaction with e-NAM (1846 quintals of Vegetables FY 2024-25)
- ✓ 40 percent of shareholders change crop planning and crop management practices.
- ✓ 30 percent of shareholders linkages of different Govt. Schemes and avail Govt. Subsidy
- ✓ Proposed Cold Storage support under OIIPCRA scheme of State Govt.
- ✓ Value addition of pulses, millet and spices sale in different exhibitions and local traders, ONDC plat forms in co-ordination with KVK.



Ujaleswar Farmers Producer Company Ltd. **Turubudi, Digapahandi, Ganjam**

Year of Establishment : 2021

No. of Shareholders: 750

Ujaleswar Farmers Producer Company Ltd strengthened its position in the third year of its existence with continuous support of the NABARD and other government line departments, WOTR, the cluster based business organisation and facilitating agency. The Company expanded its horizon with in 135 villages of Digapahandi block with a membership of 750 shareholders with the unconditional support of its active Board of Directors. It continuously got technological support from KVK, Ganjam-II. The representatives of the Company participated in several district and state level events. It is recognised and felicitated by NABARD, Krishi Vigyan Kendra, Ganjam-II and Odisha University of Agriculture and Technology (OUAT). The company aims to touch more than one crore rupees business in coming years and serve the small and marginal farmers.

Activity:

The major products marketed through FPOs are Pulses, Groundnut, Paddy, Cotton, Fertiliser

Current Turnover (Rs.): 49,89,915.00

Support Received

- a. **Govt support :** Ujaleswar farmers producer company Ltd formed under Central Sector Scheme (CSS) for converting krishi into Atma nirbhar Krishi and get govt grant of 30 lakhs



- b. **NABARD** : NABARD supports for formation and strengthening of FPO
- c. **KVK**: KVK, Ganjam-II caters the agri-technological need of the FPO.

Major Achievements:

- Ujaleswar farmers producer company Ltd opens a Custom hiring Center with the support of State Agriculture Department.
- Mini Dal mill established with the support of State Agriculture Department .
- Value Chain Clusters on oilseeds developed in Chikiti, Digaphandi and Sanakhemundi block with the support of NMEO-OS (National mission on edible oils-oilseeds) for providing high-quality seeds, advisory services on weather and pest management, procurement of seeds from small and marginal farmers

Impact on Farmer Members & Community

- Younger and better educated farmers of 25 to 35 years age were more likely to accept the concept of farmer producer company.
- Farmers realized the benefits of marketing their products through FPC and are inclined to join the FPCs.
- The FPC performed a wide range of activities like supply of Agri inputs /Fertiliser, seed production, processing, marketing, post-harvest management, maintenance of agro service and custom hiring centres, provision of technical support to the farmer members.



Baba Biswanath Farmers Producer Company Ltd.
Achuli, Purusottampur, Ganjam

Year of Establishment : 2021

No. of Shareholders: 750

Operational Area : 109 Villages

Major interventions

- a) Affordable credit facilities were provided through partnerships with NABARD and banks, reducing reliance on high-interest loans.
- b) Direct market linkages were established, enabling farmers to sell produce at better prices without middlemen.
- c) Quality input supply was ensured through collective procurement of seeds, fertilizers, and equipment.
- d) Infrastructure development, supported by NABARD and government organizations, included building storage facilities, cold storage, and cold vans to reduce post-harvest losses.
- e) Training, capacity building, and exposure visits were conducted to equip farmers with modern techniques and best practices.
- f) Awareness of government schemes ensured farmers accessed subsidies and support programs.
- g) Price stabilization measures, like forward contracts, were introduced to reduce income volatility.
- h) Technology adoption promoted tools like drip irrigation and precision farming for higher efficiency.



- i) Collective marketing through FPOs improved bargaining power and market access.
- j) Risk mitigation strategies, such as crop insurance, were implemented to protect against climate and market risks, ensuring sustainable growth for farmers.

Activities undertaken by FPO:

1. **Farmer-Centric Approach** : Focused on empowering farmers by involving them in decision-making processes and ensuring their needs were prioritized.
2. **Collective Action** : Promoted collective procurement, marketing, and resource sharing to reduce costs and increase profitability.
3. **Transparency and Accountability**: Maintained transparent financial systems and regular audits to build trust among farmers.
4. **Capacity Building**: Conducted regular training programs, workshops, and exposure visits to enhance farmers' skills and knowledge.
5. **Sustainable Practices**: Encouraged eco-friendly farming methods like organic farming, crop rotation, and water conservation.

Innovations Adopted :

1. **Digital Platforms** : Introduced mobile apps and online portals for real-time market prices, weather updates, and government scheme information.



2. ***Integrated Supply Chains:*** Developed end-to-end supply chain solutions, from input procurement to market linkages, ensuring better returns for farmers.
3. ***Crop Diversification:*** Encouraged farmers to grow high-value crops alongside traditional ones to reduce risks and increase income.

Convergence Strategies :

1. ***Collaboration with NABARD:*** Leveraged NABARD's financial and technical support for infrastructure development, credit access, and capacity building.
2. ***Government Schemes:*** Integrated with government programs like PM-KISAN, MSP, and soil health card schemes to maximize benefits for farmers.
3. **Public-Private Partnerships (PPPs) :** Worked with private companies for market access, cold chain development, and value addition.

Major outcomes

The interventions implemented in the FPO project area led to significant positive impacts and outcomes, transforming the agricultural landscape and improving the livelihoods of farmers. Here are the major impacts and outcomes:

1. ***Increased Farmers' Income:*** Direct market linkages and collective bargaining reduced dependency on middlemen, ensuring better prices for produce. Higher productivity and reduced input costs further boosted farmers' earnings.



2. **Improved Access to Credit :** Affordable credit facilities through partnerships with banks and NABARD reduced reliance on high-interest informal loans, easing financial burdens.
3. **Reduced Post-Harvest Losses :** Development of storage facilities, cold storage, and cold vans minimized losses, ensuring better returns for farmers.
4. **Enhanced Productivity:** Adoption of modern technologies like precision farming, drip irrigation, and quality inputs led to higher crop yields and efficiency.
5. **Empowerment Through Collective Action:** Formation of FPOs strengthened farmers' collective voice, enabling them to negotiate better prices and access resources.
6. **Awareness and Access to Government Schemes:** Farmers became aware of and accessed government subsidies, MSPs, and other support programs, improving their financial stability.
7. **Price Stabilization:** Forward contracts and collective marketing reduced price volatility, ensuring stable and predictable incomes.
8. **Adoption of Sustainable Practices:** Promotion of organic farming, soil health management, and water conservation improved environmental sustainability and long-term productivity.
9. **Skill Development and Capacity Building:** Training programs and exposure visits equipped farmers with



modern agricultural knowledge, enhancing their skills and confidence.

10. **Improved Market Access:** Direct linkages with buyers, processors, and exporters expanded market opportunities, reducing dependency on local markets.
11. **Risk Mitigation:** Introduction of crop insurance and disaster management strategies protected farmers from climate and market risks.
13. **Technology Adoption :** Use of digital tools, mobile apps, for traceability improved transparency and efficiency in farming operations.
14. **Infrastructure Development:** Investments in rural infrastructure, such as storage, cold storage and cold ven improved overall agricultural productivity and market access.





Sabuja Sanatanpali Farmer Producer Company Ltd.

Sanatanpali, Kabarapali, Sambalpur

Year of Establishment : 2021

No. of Shareholders: 1186

Women Shareholders: 214

Operational Area : 109 Villages

Legal status ITR File, GST, Seed License, e-Nam, Pesticide, Fertilizer & FSSAI.

Amount of Equity grant collected Rs 8,05,000

Amount of matching grant collected Rs 8,05,000

Business achieved (Rs)

Year	Annual turn over (Rs.)
2021-22	16,86,978
2022-23	26,80,841
2023-24	34,70,670

Commodity involved Marketing of Vegetable, Mango, Flower, Oil Seed, Mustard, Pulses, Paddy Seeds & Fingerlings.

Sale of Aggregates a) Vegetables (Rs.): 28,000

b) bi-product (Rs.): 11,59,580

Infrastructure developed: Processing unit, Store house, Cold storage



Jaden Farmer Producer Company Ltd

Desil, Titilagarh, Balangir

Year of Establishment : 2021

Turnover (Rs): 1.22 cr

Key Achievements

1. Market linkages through vegetable supply to different schools, hotels, hospital daily to meet the daily requirement in lower price than the local market, market access through marketing of millet based processed products in outlet
2. Export of various produces like 1 MT of organic vegetables to Dubai, 2MT of mangoes to London and 3 MT of mangoes to Delhi Mother Diary.
3. Procurement of 30 MT of cotton from farmers to avoid distressed sell.
4. Procurement of 326 MT of ragi from farmers to help them getting better price.
5. Development of infrastructure of millet & agri processing unit, establishment of cold storage.

Key activities

Production Practices, Millet processing and marketing.





Subarnarekha Agriculture Producer Co. Ltd. Baliapal, Balasore

Year of Establishment : 2016

Activities	Paddy, Millet, Mustard, vegetable, Vermicompost, Fertilizer & Pesticide shop for FPO members
Current turn over(Rs)	50 lakh
Support received	Krishi Vigyan Kendra, NABARD, Agriculture and Horticulture Dept

Major achievement and best practices

- Seed Production of Rice
- Mustard cultivation & Oil extraction
- The Company is also Working for Special Project for Promotion of Millets in Nilgiri and Oupada Blocks
- Promotion of Sweet Potato and other tuber crops with the support of CTCRI
- Marketing of Paddy Mustard and vegetable
- Seed, Fertilizer, Pesticide, Farm Tools, Nursery business
- Vermicompost and Azolla production
- Promotion of Papaya and Drumstick cultivation through NABARD Support

Impact on Farmer members and community

- Better standard of living
- Increase income of farmers
- Adopt organic farming practices
- Opening outlet at the District headquarter for better marketing



Kothabhad Farmers Producer Company Ltd.

Pipili, Puri

Year of Establishment : 2018

No. of Shareholders: 310

Activities:

- Production/Rearing Unit: Mushroom, Vermi compost, Poultry, Fish & Fish seeds,
- Processing: Spices, Pulses (Arhar, Blackgram, Greengram)
- Trading: Paddy, Rice, Vegetables, Exotic Vegetables, Dairy products, Pulses, Vermi Compost, FYM, Bio-fertilisers
- Area of Intervention: Promoting Agroecological farming, Direct Seeded Rice, Indigenous Paddy programme

Physical & Financial Progress :

- Financial Strength: Rs. 5.61 lakh paid-up capital.
- Market Reach: Presence in major mandis (Capital Mandi, Krushak Bazar, Puri, Pipili, etc.).
- Support & Growth: Backed by I-Concept, Govt agencies (KVK, NABARD, NABKISAN etc.), and Tanager.
- Infrastructure: Owns an office, collection center, cold storage, and input shop.

Key Initiatives:

- DSR promotion in Pipili & Delanga.
- 700 ha paddy cultivation in Kankadahad, Dhenkanal.

Legal Registration:

FSSAI, seed, fertilizer licenses, e-NAM, and GST



Financial Base: Rs. 35 lakh (Samunnati), Rs. 25 lakh (NABKISAN), Rs. 5 lakh (NABARD).

Marketing & Procurement: Linked with Sabujavarna Organic; procures from 310 shareholders.

Year-wise turnover

Year	Turnover(Rs)
2019-2020	4,49,260
2020-2021	5,65,805
2021-2022	34,67,766
2022-2023	83,48,642
2023-2024	49,54,960
2024-2025	62,56,000
Total	2,40,42,433
Current Turnover (Rs):	62,56,000

Support Received:

Sl No	Supported by	Programme Name	Amount (Rs)
1	Dept of Agriculture & Horticulture	DSR	11,25,000
2	-do-	Indigenous Paddy programme	7,00,000
3	-do-	Mahanadi delta project	3,50,000
4	i-Concept Initiatives	Cold storage	5,00,000
5	-do-	Mushroom unit	1,20,000



6	-do-	PEP support	1,32,000
7	-do-	Bio fertiliser support	80,000
8	-do-	Nursery set up	7,50,000
9	-do-	Vermi compost & culture production unit	2,50,000
10	-do-	Fish hatchery	5,00,000
	Total		45,07,000

Major Achievements

The FPC has achieved remarkable progress in promoting agroecological farming among 560 farmers, ensuring sustainable and environmentally friendly practices. It has played a key role in reviving indigenous paddy cultivation and enhancing the market reach of indigenous rice, vegetables, exotic vegetables, pulses, dairy, and fishery products. Additionally, the FPC has actively promoted the use of water hyacinth vermicompost among both farmers and consumers, fostering organic farming and improved soil fertility.

Impact on Farmer Members & Community:

The FPC has successfully developed solidarity among farmers and created a platform for women farmers to engage in agricultural activities on a broader scale. It has established a strong foundation for indigenous rice and chemical-free products while building marketing networks both within and outside the state. Continuous capacity building, exposure visits, and handholding support from POPI have enabled women farmers to actively participate in FPC processing activities. As a result, the FPC is now independently managing its day-to-day operations without external support.



Jaivik Sri Farmer Producer Company, Limited Koraput

Year of Establishment : 2016

No. of Shareholders: 1268

Share Capital mobilised	:	Rs. 1648100
Equity grants availed	:	Rs. 515500
Turn over (FY 2023-24)	:	Rs. 39331242

Key achievements:

- JSFPCL is focusing on “commodity specific value chain development approach” (both backward and forward linkages) for the farmer members. JSFPCL is mainly engaged in crop production, aggregation, value addition and processing, branding and marketing of rice, millets, pulses, ginger, turmeric and coffee.
- The input supply through JSFPCL included seed, bio-inputs and farm equipments which covers around 5000 farmers every year. The FPO has license for sale of various inputs and charges a nominal amount of Rs 10-15 on each bag of seeds and 8-10% margin on pesticide for its members. Its member avail all these inputs 85% less cost on the market price. Non-member farmers also avail these services. In addition to inputs, the FPO provides technology, advisory and extension services for around 7000 farmers for enhancing productivity, better crop management, pest and disease management.
- In order to help farmer members of JSFPCL in getting better price for their produce, procurement of selected



commodities is carried out on behalf of agencies like TDCC, e-Nam etc. The company has also developed a chain of retail outlets by establishing stores under different models like, own, dealers/distributors. The company also participates in different exhibitions and fairs for market promotion and marketing of processed and value-added products. Thus, the Company's business transactions involve Business to Business (B2 B), Business to Consumers(B2C) and business facilitator for procurement under the Government sponsored procurement operations.

- JSFPCL has tie up with State and National Seed Corporation, Department of Agriculture, Krishi Vigyan Kendra and Agriculture Universities, agencies like IRRI , ICRISAT , farmer seed growers for procurement of agri inputs. It also runs an outlet to facilitate farmers access to agriculture inputs, farm equipment's and technology for scientific crop cultivation to attain maximum output. This business activity has increased engagement with farmers and has helped to increase production and productivity through appropriate technology dissemination and guidance. During the financial year 2023-24 JSFPCL had turnover Rs 39331242/- from marketing of agri inputs. Earlier the farmers were dependent on local markets and retailers to procure inputs which were not having any quality standard and most often they got less yield and suffered crop loss.
- In order to provide back-end support to the member-farmers, the company runs an agro- service centre with farm machineries rented out to farmers at subsidized



prices. The company is also providing other services like insurance and welfare measures for 2300 farmers.

- JSFPCL is registered with APEDA which makes it eligible for export of different produces of its farmer shareholders. Presently JSFPCL is focusing on export of ginger to EU countries which is under process.
- JSFPCL is dealing with value chain of different products i.e. Finger Millet, Little Millet, Foxtail Millet, Barnyard Millet, Ginger, Turmeric, Coffee, Arrowroot, Koraput Kalajeera Rice, Aromatic Rice

Major interventions

Board of Directors and progressive shareholders have been trained on governance and management of the company, business plan, value addition, and market linkages. They have also participated in different national, state and district level forums, workshops and exhibitions which has increased their visibility and marketability of products. The CEO has participated in exposure to Germany and Netherlands under the state sponsorship for exploring opportunities for export of organic ginger.

Jaivik Sri FPC has convergence with different Government schemes:

1. Sri Anna Abhiyan: Promotion of Millets and Marketing in Mandi
2. Mukhyamantri Krushi Udyog Jojana: Establishment of Millet Processing Unit
3. ICAR-Central Institute of Freshwater Aquaculture: Promotion of Pisciculture and Fish Fingerling



4. With the support of Agriculture Market Development (AMD) an Indo-German Co-operation initiative and GAP Fund of IFAD, JSFPCL has started processes for export of organic ginger to the EU market
5. JSFPCL with support of Government of Odisha is implementing the REWARD Project and the Direct Seeded Rice Project in Boipariguda block reaching out to more than 2000 farmers.

Achievements

- **Increased Income and Reduced Indebtedness:** Due to the interventions of JSFPCL, 1256 farmers have been able to access better markets, negotiate higher prices for their produce, and reduced reliance on informal credit sources, leading to increased income by 25 to 30% and reduced indebtedness. It has further enabled the shareholders to benefit from economies of scale in production, processing, storage, and marketing, reducing costs and improving efficiency.
- **Improved Market Access:** By pooling resources and acting collectively, JSFPCL has enabled more than 3000 farmers to access larger markets and establish stronger relationships with buyers, traders and processors. It has empowered the farmers to negotiate better prices for their inputs and produce, improving their bargaining power vis-à-vis traders and intermediaries. It has created greater transparency and fairness in product pricing and market transactions, protecting the interests of farmers.
- **Access to Quality Inputs and Technologies:** JSFPCL supports around 7000 farmers every year to access



quality seeds, fertilizers, and other inputs, as well as technologies and extension services, which has improved their agricultural productivity. During COVID-19, the FPC has played a pivotal role in providing inputs to the farmers and transporting their produces to the local as well as outside market that reduced the distress of farmers.

- **Value Addition and Diversification: JSFPCL has facilitated for value addition** such as processing and packaging of millets, ginger, coffee, turmeric, aromatic rice that benefits around 3200 farmers to earn higher profits.
- **Promotion of Green Energy:** Jaivik Sri FPC has also started promotion of green energy for reducing use of fossil fuels through creation of market for solar pumps and solar home lighting systems. More than 100 farmers have started using solar pumps and replaced diesel powered pumps. Home lighting systems are marketed through easy monthly instalments. The FPC has a tie up with Kalinga Renewable Energy Products, a start up from IIT Bhubaneswar for promotion of solar technology. The company has created a cadre of service providers to support consumers in installation and maintenance of solar systems.
- **Social Capital and Empowerment:** In addition to economic gains, JSFPCL has fostered social capital and empowering farmers by providing a platform for collective action and decision-making, strengthening their role in agricultural development.



- **Improved Access to Credit:** JSFPCL has enhanced access to credit and linkage with financial institutions, facilitating for agricultural activities and business development for its shareholders.
- **Fostering Innovation and Adoption of Best Practices:** Due to interventions of JSFPCL, new technologies and best practices have been introduced in crops like ginger, millets and rice leading to improved productivity and sustainability.
- With the support of Agriculture Market Development (AMD) an Indo-German Co-operation initiative and GAP Fund of IFAD, JSFPCL has set the vision to export organic ginger to the EU market.
- One of the outstanding successes of JSFPCL has been the Geographical Indication (GI) Tag for Koraput Kalajeera Rice, the finest variety of aromatic rice cultivated and conserved by the farmers of Koraput District.





Samarpita Women Farmers Producer Co. Ltd Pipili, Puri

Year of Establishment : 2022

No. of Shareholders: 540

Activities:

Oilseed and pulse mandi (green gram), mushroom cultivation, and value-addition of agricultural products.

Physical & Financial Progress:

- **FY 2023-24:** Membership expanded to 300 shareholders with a turnover of Rs. 33,07,179.
- **FY 2024-25:** Membership increased to 540, with a turnover of Rs. 54,30,206.
- **Total Progress:** Samarpita WFPCL has 540 shareholder members and has generated a cumulative turnover of Rs. 87,37,385.

5. Current Turnover: Rs. 54,30,206

6. Support Received:

Samarpita WFPCL has received essential support from various government and non-government organizations. The Odisha Livelihoods Mission (OLM), Puri has provided management cost assistance, while Krishi Vigyan Kendra (KVK), Sakhigopal has offered valuable training programs. The Rural Industrial Park (RIP) initiative under OLM & ORMAS, Puri has further strengthened its operations and expansion.

Major Achievements :

One of the most significant milestones of Samarpita WFPCL has been obtaining a Mandi license, enabling it to



procure green gram directly from farmers in four Gram Panchayats of Pipili block, Puri. This initiative has provided smallholder women farmers with better market access and fair pricing for their produce.

Impact on Farmer Members & Community:

Sampita WFPCL has positively impacted over 5,000 women beneficiaries in various ways. The FPC has provided crop advisory training on paddy cultivation and skill development programs in mushroom cultivation. It has also facilitated affordable cattle feed distribution at prices lower than the market rate, ensuring doorstep delivery for ease of access. Moreover, the FPC has played a crucial role in ensuring that women farmers receive the Minimum Support Price (MSP) for their Kharif crops, such as green gram and black gram, thereby improving their economic stability. Sampita WFPCL has empowered women farmers through these initiatives by enhancing their income levels, promoting self-reliance, and contributing to better livelihoods.





Chhedlagan Farmers Producer Company Ltd. Sahebdera, Laikera, Lephripara, Sundargarh

Year of Establishment : 2018

No. of Shareholders: 1020

Operational Area : Sundargarh, Jharsuguda and Keonjhar Dists.

Objectives:

1. **Enhance Farm Productivity:** Provide access to high-quality agricultural inputs and effective farming techniques to improve productivity and profitability for farmers.
2. **Strengthen Market Connections:** Facilitate direct linkages between farmers and markets, both local and regional, to ensure better pricing and reduced intermediaries.
3. **Promote Sustainable Practices:** Encourage the adoption of sustainable agricultural practices among the farming community to ensure long-term ecological balance and economic stability.
4. **Empower Farmers through Knowledge:** Increase awareness and utilization of government programs and initiatives among farmers to maximize benefits and foster self-reliance.

Support:

- Shri Anna Abhiyan Subdega and Telkoi.
- Crop Diversification Programme Mega- Lift Irrigation Project Cluster- Lephripara,Cluster, Jharsuguda CBO in Marketing.
- Crop Diversification Programme Mega- Lift Irrigation Project Cluster-18



- KVK, Dept of Horticulture, Dept of A& H, ITDA for Technical back stopping

Activities:

- Millets Processing Unit
- Pulses Processing Unit
- Turmeric Processing Unit
- Rice Husk Bran Processing Unit
- Vaccume Packaging Machine.
- Bakery Unit
- **Core Activities:**

Millet value addition, Pulses Processing, Grocery supply, spices supply, Output Supply, Poultry Business, Vegetables, Watermelon Supply, Rice Husk Bran Processing, Oil Processing, Sorting, Grading, Branding, Adidhara and Marketing.





Baladebjiew Women Farmers Producer Co. Ltd. Dhenkanal

Year of Establishment : 2023

No. of Shareholders: 1000

Activity:

Marketing of Mushroom, Mango, Guava, Rice seed, Fertiliser, Pesticide, Vegetables, Arhar, Greengram

Current Turnover: Rs. 1.38 Cr.

Support Received : Corporate Social Responsibility (CSR) of GT Bharat, NABARD, Dept. of Agriculture, Dept. of Horticulture

Major Achievements:

- **Rapid Membership Growth:** Achieved a remarkable milestone of over 1,000 women shareholders within just two years, showcasing strong community engagement and trust.
- **Establishment of Mini Dal Mill:** Successfully set up a mini dal (pulse) mill in collaboration with the College of Agricultural Engineering and Technology (CAET), Odisha University of Agriculture and Technology (OUAT), enhancing local processing capabilities.
- **International Mango Exports:** Exported over 40 tonnes of premium Amrapali mangoes to international markets, including Dubai and Italy, within two years. This initiative not only expanded market reach but also significantly increased farmers' incomes by 40–60%.
- **Crop advisory on rice cultivation:** From the provision of quality paddy seeds to the dissemination of



comprehensive packages of practices and timely crop advisories, Baladebjiew Women Farmers Producer Company Ltd supports fellow farmers in enhancing both yield and income.

Steps Taken:

- Awareness programmes conducted involving KVK, State Department of Agriculture, Horticulture to educate farmers about the benefits of FPOs and encourage their participation.
- Baladebjiew Women Farmers Producer Company Ltd establish strong market linkages with buyers, processors and expanded market reach.
- Coordinating with multiple government agencies to secure infrastructure and financial support across schemes and credit facilities.

Impact on Farmer Members & Community

- Farmers aged 25–35, often with higher education, are more inclined to embrace the concept of Farmer Producer Companies (FPCs), driven by their openness to professional management practices.
- Many farmers have recognized the advantages of collective marketing-such as better bargaining power, reduced transaction costs, and stronger linkages with processors and buyers-making them more likely to join FPCs
- The FPC engages in a diverse portfolio of services, including:
 - Supplying agri-inputs (seeds, fertilizers, pesticides) and farm implements



- **Seed production**, procurement, packaging, grading, branding, and export facilitation
- **Processing**, cold storage, and post-harvest management to reduce losses
- Operating **agro-service/custom hiring centers** for equipment use and labor efficiency.
- Offering **technical support**, capacity building, extension services, and insurance linkages.
- Establishing **market linkages**, including export contracts and connections with traders and institutions





Charchika Farmers Producer Co. Ltd. **Banki, Cuttack**

Year of Establishment : 2022

No. of Shareholders: 1500

Activity: Marketing of Mushroom, Mango, Guava, Rice Seed, Fertiliser, Pesticide, Vegetables, Pulses

Current Turnover: Rs. 1.08 Cr.

Support Received : NAFED, New Delhi, SOA University, Bhubaneswar, Livelihood Alternative, Bhubaneswar

Major Achievements:

- **Rapid Membership Growth:** Achieved a remarkable milestone of over 1,500 Men and women shareholders within just three years, showcasing strong community engagement and trust.
- **Establishment of Knowledge Hub for Farmers and FPC:** Successfully set up Knowledge Hub for Farmers and FPC collaboration with the SOA University, Odisha and University of Agriculture and Technology (OUAT), enhancing the knowledge and institution development capabilities.
- **Crop advisory on rice cultivation:** From the provision of quality paddy seeds to the dissemination of comprehensive packages of practices and timely crop advisories, Charchika F.P. Co. Ltd. Cuttack supports fellow farmers in enhancing both field and income.

Steps Taken:

- Awareness programmes conducted involving KVK, State Department of Agriculture, Horticulture to educate farmers about the benefits of FPOs and encourage their participation.



- Charchika Farmers Producer Company Ltd establish strong market linkages with buyers, processors and expanded market reach within state and outside of States
- Coordinating with multiple government agencies to secure infrastructure and financial support across schemes and credit facilities.

Impact on Farmer Members & Community

- Farmers aged 25–45, often with higher education, are more inclined to embrace the concept of Farmer Producer Companies (FPCs), driven by their openness to professional management practices.
- Many farmers have recognized the advantages of collective marketing-such as better bargaining power, reduced transaction costs, and stronger linkages with processors and buyers-making them more likely to join FPCs
- The FPC engages in a diverse portfolio of services, including:
 - Supplying agri-inputs (seeds, fertilizers, pesticides) and farm implements
 - **Seed production**, procurement, packaging, grading, branding, and export facilitation
 - **Processing**, cold storage, and post-harvest management to reduce losses
 - Operating **custom hiring centres** for equipment use and labour efficiency.
 - Offering **technical support**, capacity building, extension services, and insurance linkages.
 - Establishing **market linkages**, including export contracts and connections with traders and institutions



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ABBREVIATIONS

AGM	Annual General Meeting
AIF	Agriculture Infrastructure Fund
AOA	Articles Of Association
APICOL	Agricultural Promotion and Investment Corporation Of Odisha Limited
BIRD	Bankers Institute of Rural Development
BoD	Board of Directors
BoM	Board of Management
CBBO	Cluster-Based Business Organization
CEO	Chief Executive Officer
CIG	Commodity Interest Group
CSC	Common Service Centre
CSDR	Center for Social Democratic Research
CSS	Central Sector Scheme
DACFW	Department of Agriculture, Corporation and Farmer Welfare
DAFE	Department of Agriculture and Farmers Empowerment
DIN	Director Identification Number
DSC	Digital Signature Certificate
e-NAM	electronic-National Agriculture Market
FARD	Fisheries and Animal Resources Development
FDRVC	Foundation for Development of Rural Value Chains
FGD	Focus Group Discussion
FPC	Farmer Producer Company



FPCL	Farmer Producer Company Limited
FPO	Farmer Producer Organization
GST	Goods And Services Tax
GSTIN	Goods And Services Tax Identification Number
ICAR	Indian Council of Agricultural Research
KVK	Krishi Vigyan Kendra
KYC	Know Your Consumer
LINAC	Laxmanrao Inamdar National Academy For Cooperative Research And Development
MACP	Maharastra Agriculture Cooperative Project
MCA	Ministry of Corporate Affairs
MIDH	Mission For Integrated Development of Horticulture
MIS	Management Information System
MKUY	Mukhyamantri Krushi Udyog Yojana
MOA	Memorandum of Association
NABARD	National Bank For Agriculture And Rural Development
NAFED	National Agricultural Cooperative Marketing Federation of India Ltd
NCDC	National Cooperative Development Cooperation
NERAMAC	North Eastern Regional Agricultural Marketing Corporation Limited
NGO	Non-Governmental Organization
ODOP	One District One Product
ONDC	Open Network For Digital Commerce
ORMAS	Odisha Rural Development And Marketing Society
OUAT	Odisha University of Agriculture and Technology
PAN	Permanent Account Number



PHM	Postharvest Management
PI	Principal Investigator
PMFEM	Pradhan Mantri Formalisation of Micro Food Processing Enterprises
PO	Producer Organization
POPE	Producer Organization Farming Institution
PSFPO	Promotion and Stabilization of Farmer Producer Organizations
PWC	Price Water Coopers
PWD	Person With Disability
RAFTAAR	Remunerative Approaches For Agriculture And Allied Sector Rejuvenation
RKVY	Rashtriya Krishi Vikas Yojana
SAFAL	Simplified Application For Agricultural Loans
SAU	State Agriculture University
SFAC	Small Farmers Agri Business Consortium
SFACH	Small Farmers Agri-Business Consortium Haryana
SHG	Self-Help Group
SPOC	Single Point of Contact
TAN	Tax Deduction And Collection Account Number
TNSFAC	North Eastern Regional Agricultural Marketing Corporation (Neramac) Limited
WDD	Watershed Development Department
WIF	Warehouse Infrastructure Fund

About the Author



Dr. Sujit Kumar Nath is a renowned agri-social scientist serving as Senior Scientist and Head of Krishi Vigyan Kendra, Berhampur, Ganjam, under Odisha University of Agriculture and Technology (OUAT). With extensive experience of working with farming communities across Odisha, Dr. Nath has made significant contributions to agricultural research and extension for the benefit of farmers, farming sector and farm economy.

A recipient of the Best Scientist Award from various organizations, including OUAT, Dr. Nath has guided four postgraduate students and led/co-led multiple projects, including the Centre of Excellence on FPOs. This book is an outcome of his thoughts on FPOs. Furthermore, he is also the Editor of an International Journal e-Planet since 2010 and has published a number of research findings in numerous national and international scientific journals.

Beyond academia, Dr. Nath is a popular columnist in the esteemed Odia Daily "The Samaja," where he has been writing on rural issues for over two decades. He is also a talented writer of short stories and poems, often drawing inspiration from nature.



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