

# Broad areas of Government support for sustainable development of agriculture sector

- Facilitation in enhancing the production & productivity of different agriculture crops & Agri-allied activities through development & dissemination of improved technologies
- Improving the access to irrigation & enhanced water-use efficiency
- Improvement of health of production systems like soils
- Strengthening marketing systems





# FPO – Why?





Low production systems

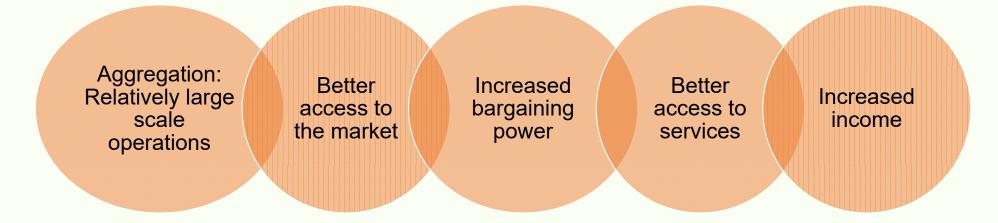
Lack of direct access to the market

Long term non-sustainability of Farmers Clubs, Joint Liability Groups, Self Help Groups, etc.





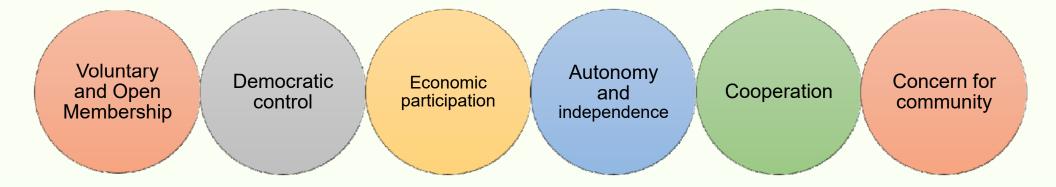
### FPO: Of, By & For farmers: Benefits







# **FPO:** Guiding Principles





#### NABARD's engagement with FPOs

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NAB	ARD

Fund	PRODUCE	PODF	CSS
Source	GoI	RIDF Interest differential	GoI
Year of launch	2015-16	2011-12	2020-21
Size of fund	₹. 200 cr	₹. 312 cr	₹. 6866 cr
Objective	2000 FPOs	3000 FPOs	10000 FPOs – (Annual target to NABARD)
Grant / FPO	₹. 9.06 lakh for 3 year	₹. 21 lakh for 5 year	₹. 25 lakh to CBBOs ₹. 18 lakh to FPOs

#### Status of FPOs promoted by NABARD

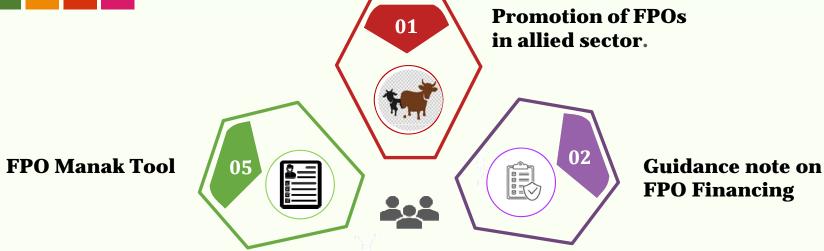
PRODUCE	
No. of FPOs promoted	2154
No. of FPOs registered	2094
No. of shareholders	9.53 Lakh
Equity amt. (₹)	111.95 cr.
Avg. share capital Per member (₹)	1174
Amt. sanctioned ₹)	208.69 cr.
Amt. disbursed (₹)	177.72 cr.

PODF	NABARD	
No. of FPOs promoted	2922	
No. of FPOs registered	1758	
No. of shareholders	5.89 Lakh	
Equity amt. (₹)	58.47 cr.	
Avg. share capital Per member (₹)	952	
Amt. sanctioned (₹)	264.55 cr.	
Amt. disbursed (₹)	88.41 cr.	

CSS on 10k FPOs	
No. of FPOs promoted	658
No. of FPOs registered	610
No. of shareholders	0.52 Lakh
Equity amt. (₹)	5.77 cr.
Avg. share capital Per member (₹)	1102
Amt. sanctioned (₹)	180.28 cr.
Amt. disbursed (₹)	14.38 cr.

#### Initiatives



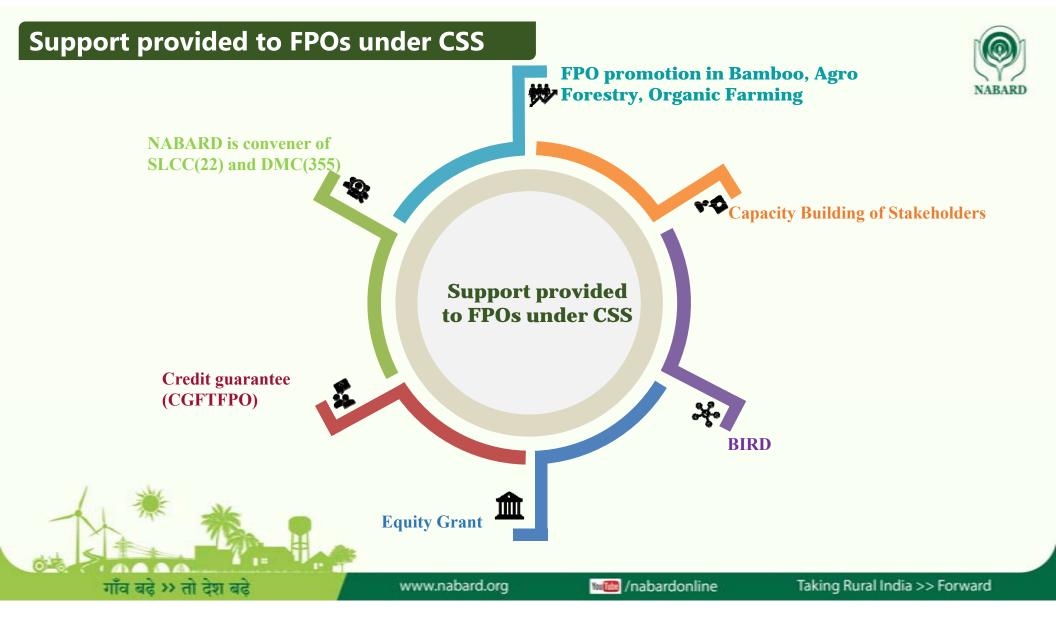


Collaboration with GiZ (C-SASA)





Collaboration with APEDA for export



#### **Issues / Challenges**





Gap in Capacity Building



Low active membership



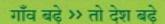
Inadequate business planning



Low level of credit penetration



Legal compliances and Tax obligations



#### Way forward



Upgrading C & D graded FPOs

Engagement with Value chain players to promote investments in agri value chain

**Credit products** for FPOs, based on region-specific business models and extend credit support

Training modules for all stake holders to learn business rules, compliance needs and market preferences



#### Way forward......contd



Banks to leverage the newly set up Credit Guarantee Fund at NABARD

Extend & upscale **Business** Development Assistance

Linking FPOs with commodity markets

Technology infusion in FPO activities

Accompanying incentives/ grants/ subvention for loans to FPOs





# Thank you

