

XVIII. 19 : SCHEME DETAILS FOR FORMATION OF 10,000 FARMER PRODUCER ORGANIZATIONS

Strategy for formation of FPO	Focus on “One District One Product” Approach,
	More than one cluster for one product in one district allowed and Cluster may also extend beyond a District.
	FPO will also have additional product and service mix
	Formation of FPOs will be based on Produce Cluster Area
	Cluster Based Business Organisations(CBBO) will undertake feasibility study in assigned cluster including Diagnostic study including baseline survey, prospective business plan
	Implementing Agencies will set up CBBOs at State/Cluster level
	Prioritization of FPO formation in Aspirational District.
Structure of FPOs	
Farmer Member Size (min) Average	Plains- 300 NE - 100 Plains -500 NE - 200
Members per Group, (FIG, SHG, Farmers club, Joint Liability Group (JLG), Rythu Mithra Group)	15-20 Members
Component groups	Plains- 20 or more NE - 7-8
Composition of Groups	Small, marginal and women farmers/SHGs, SC/ST farmers and other economically weaker categories etc.
FPO formation and Incubation cost of CBBO	Max. Rs.25.00 lakhs/ FPO for 5 Years for Base line survey, mobilisation of farmers, Awareness programme and exposure visits, professional handholding, cost of engaging CBBOs and other overheads, etc
FPO Management Cost	Total Budget : Max. Rs.18.00 lakhs/ FPO for 3 Years for Chief Executive Officer and Accountant salary, Office rent, Contingencies, Registration cost, Utility charges, Minor equipment (Furniture and Fixture) Miscellaneous
Provision for Equity Grant	Equity Grant (Matching Grant) upto Rs. 2,000 per -maximum of Rs. 15.00 lakh fixed per FPO, As per the guidelines, initially three Implementing Agencies namely SFAC, NCDL and NABARD shall be Responsible to form and Promote FPOs. Department of Agriculture, Cooperation and Farmers Welfare, Government of India designated Tamil Nadu Small Farmers Agribusiness Consortium (TNSFAC) as additional implementing agency and TNSFAC has also been assigned to form 50 fresh FPOs during 2020-21 in Tamil Nadu. FPOs are to be formed in 50 blocks in 30 Districts for which CBBOs have been allotted