

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1592
ANSWERED ON:06.03.2013
MEETING OF NATIONAL ADVISORY COUNCIL
Annayyagari Shri Sai Prathap

Will the Minister of PLANNING be pleased to state:

- (a) whether the National Advisory Council meeting has recently discussed the report of its working group on raising incomes of small and marginal farmers by organizing them into collectives and extending them the benefits of private trade outside the markets;
- (b) if so, the details thereof;
- (c) whether any incentives has been proposed for the small and medium farmers to meet their needs; and
- (d) if so, the details thereof?

Answer

MINSITER OF STAE FOR PARLIAMENTARY AFFAIRS & PLANNING (SHRI RAJEEV SHUKLA)

(a) & (b) Yes, Madam. The National Advisory Council (NAC) discussed the draft report of its working group on Enhancing Farm Income for Small Holders through Market Integration in the meeting held on 28th January, 2013. The NAC made several key recommendations which included

(i) grant support to promote Farmer Producer Organizations (FPOs) as the platform for aggregation for market, financing & extension by developing a sub-scheme within the existing Centrally Sponsored Schemes (CSS) of Agriculture & Rural Development to promote FPOs; (ii) establish apex central organization to support FPOs and address the need for promotional role; (iii) creating conducive policy regime for FPOs to access start up and investment capital; (iv) FPOs be included as a recognized category of institution under the Agricultural Produce Marketing Committees (APMC) Act and be allowed to market members' produce directly to buyers of their choice, through all platforms; and (v) producer companies should continue to be retained as a part of the proposed amended Companies Bill/ Act 2011.

(c) & (d) The Small Farmers' Agri-Business Consortium (SFAC), an organization promoted by Department of Agriculture & Cooperation, Ministry of Agriculture, is the nodal agency to promote FPOs in various States of the country for bringing about and facilitating a farm-focus growth through new ventures in agro-based industries. To strengthen the Government's support to the FPOs, the Union Finance Minister in the Budget Speech for the year 2013-14 has proposed Rs 50 crore to provide matching equity grants to registered FPOs up to a maximum of Rs. 10 lakh per FPO to enable them to leverage working capital from financial institutions. Besides, a Credit Guarantee Fund with an initial corpus of Rs. 100 crore is also proposed to be created in the SFAC.