

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:265  
ANSWERED ON:06.08.2013  
FARMER PRODUCER COMPANIES  
Natarajan Shri P.R.

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the Small Farmers` Agribusiness Consortium (SFAC) proposes to set up Farmer Producer Companies;
- (b) if so, the details thereof;
- (c) whether the Government proposes to support these activities; and
- (d) if so, the details of the framework for the purpose?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a) & (b): Yes, Madam. The Small Farmers' Agribusiness Consortium (SFAC) is assisting State Governments in implementing two schemes, viz., Vegetable Initiative in Urban Clusters (VIUC) and Integrated Development of Sixty Thousand Pulse Villages in Rainfed Areas. Under these schemes, SFAC has been involved in the undertaking Baseline Surveys of clusters identified by the State Government for promotion of Farmer Producer Companies (FPCs).

(c) & (d): Yes, Madam. Government of India has announced the following initiatives to support FPCs:-

i) Equity Grant Fund for Farmer Producer Companies: the scheme proposes to provide matching equity grant to registered FPCs upto a maximum of Rs. 10.00 lakh per FPCs to enable them to leverage working capital from financial institutions.

ii) Credit Guarantee Fund Scheme: The primary objective of the scheme is to provide a Credit Guarantee cover to Financial Institutions to enable them to provide collateral free credit to FPCs. Maximum guarantee cover shall be restricted to the extent of 85% of eligible sanctioned credit facility or to Rs. 85.00 lakh, whichever is lower.