

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:6395
ANSWERED ON:05.05.2015
TASK FORCE ON AGRICULTURAL MARKETING
Yadav Shri Dharmendra

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the task force constituted on agricultural marketing infrastructure and intermediate farming for internal and foreign trade policy has suggested to implement institutional development constituent to target especially Farmers Producers Organization (FPO) in all centrally sponsored schemes;
- (b) if so, the details thereof;
- (c) the steps taken by the Government to implement institutional development constituent in all centrally sponsored schemes; and
- (d) the time by which final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) to (d): The Task Force constituted under Planning Commission for 12th Five Year Plan (2012-17) on Agricultural Marketing Infrastructure, Secondary Agriculture and Policy Required for Internal and External Trade has suggested in its report, that in order to leverage collective strength and bargaining power of Small and Marginal Farmers to access financial and non-financial inputs and services and appropriate technologies, reduce transaction costs, tap high value markets and enter into partnerships with private entities on more equitable terms, to mandate an institutional development component in all Centrally Sponsored Schemes. Ideally, this component should be at least 20% of the total outlay of the scheme. Assistance for this component should be spread over at least 5 years, which is the ideal period for a Farmers Producers Organisation (FPO) to mature. Costing norms can be adopted from NABARD's farmer club scheme (which provides Rs. 3000.00 per member per year for a period of three years).

Small Farmers' Agribusiness Consortium (SFAC) of Department of Agriculture and Cooperation started initiatives in 2011-12 to promote FPO under the two Central Sector Schemes, namely Vegetable Initiative for Urban Clusters (VIUC) and Integrated Development of 60,000 Pulse Villages in Rainfed Areas, which has been expanded in its scope and covers special FPO projects being taken up by some State Governments under general Rashtriya Krishi Vikas Yojana (RKVY) funds as well as under the National Demonstration Project under the National Food Security Mission (NFSM) and Mission for Integrated Development of Horticulture (MIDH).

Further in order to provide economic strengthen to FPOs, SFAC also implements " Equity Grant and Credit Guarantee Fund Scheme". The Scheme has two major components, namely Equity Grant and Credit Guarantee Fund.