

GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

RAJYA SABHA  
UNSTARRED QUESTION NO.3433  
TO BE ANSWERED ON 1<sup>st</sup> APRIL, 2022

**FORMATION OF FPO TO SET UP STORAGE FACILITIES**

3433 SHRI S. SELVAGANABATHY:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether Government agrees with the view that it could incentivise farmers to form cooperatives like Farmer Producer Organisation (FPOs) to set up storage facilities;
- (b) if so, initiative(s) proposed to be taken by Government keeping in mind that this could be done by creating clusters of 5-10 villages; and
- (c) if not, the reasons therefor?

**A N S W E R**  
**MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND**  
**CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION**  
**(SADHVI NIRANJAN JYOTI)**

(a) to (c): As per Agricultural Marketing Division of Department of Agriculture & Farmers' Welfare, in order to leverage economies of scale in both production and marketing, Government, under Central Sector Scheme of formation and promotion of 10,000 Farmer Producer Organisations (FPOs), is technically and financially incentivizing FPOs registered/incorporated under Part IXA of Companies Act or any State Co-operative Societies Act. FPOs registered/incorporated under either of the aforesaid Acts can avail higher rate of subsidy i.e. 33.33% of the capital cost for construction of storage infrastructure under sub-scheme of Agricultural Marketing Infrastructure (AMI) of Integrated Scheme for Agricultural Marketing (ISAM). Under the scheme, FPOs can also avail higher rate of subsidy i.e. 33.33% for development of common facilitation centre and other marketing infrastructure.

FPO or other cooperative enhance the collective powers of the farmers by undertaking various backward and forward linkage activities like credit, marketing, storage etc.

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