

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 965
ANSWERED ON 31/07/2024

Promotion of Farmer Produce Organizations

965 # SHRI BABURAM NISHAD:

Will the Minister of COOPERATION be pleased to state:

- (a) the steps taken by the Ministry to promote FPOs in co-operative sector;
- (b) the way it would help the farmers associated with PACS; and
- (c) how this would help in strengthening the co-operative sector in the country?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a): With the initiative of Ministry of Cooperation, Government of India, a target of 1100 additional Farmer Producer Organizations (FPOs) has been allocated to National Cooperative Development Corporation by Ministry of Agriculture and Farmers Welfare, GoI, for formation and promotion of FPOs in cooperative sector through strengthening of PACS under the Central Sector Scheme - Formation and Promotion of 10,000 FPOs.

(b): Under the FPO Scheme, financial assistance upto Rs.33 lakh is provided to each FPO. Further, financial assistance upto Rs. 25 lakh per FPO is provided to the Cluster Based Business Organization (CBBO) for promotion and handholding of the FPOs. Market linkages are being developed between FPOs and PACS for backward as well as forward integration of their produce / products. This initiative will ensure remunerative prices to farmers for their produce by providing them necessary market linkages.

(c): FPOs are to be formed with the members of the existing PACS, thus, market linkages would be developed between FPO and PACS. It would help the PACS as well as their members to fetch better prices for their produce. It would also help the PACS to expand their business. FPOs are playing vital role in respect of value addition/processing activities and PACS would be the major source of raw materials for this business of the FPO. This would enable the PACS to generate new and stable sources of income.
