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# National Association for Farmer Producer Organizations (NAFPO)

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2nd Steering Committee Meeting | 2018



NATIONAL ASSOCIATION FOR FARMER PRODUCER ORGANISATIONS

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REPRESENTATION | COLLABORATION | TRANSFORMATION

## Minutes of the Meeting

**Date**- 6<sup>th</sup> September 2018

**Venue**- International Youth Centre, New Delhi

**Time**- 9:45 am- 2:00 pm

### **Participants of the meeting**

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The meeting was Chaired by Pravesh Sharma (Retd. IAS), and attended by Yogesh Dwivedi (MBCFPCL), Manish Shankar (Intellectap), Prof Shambu Prasad (IRMA), Rishabh Sood (Rabobank), Rajesh Urkude (TCS), Ravikumar (Samunnati Finance), Hemendra Mathur (Bharat Innovation Fund), Baskar Reddy(SFI), Anish Kumar (TRI) and Aneesha Bali (NAFPO).

### **Agenda 1- Follow-up of the action points from 1<sup>st</sup> Steering Committee Meeting**

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An update on the previous Steering Committee Meeting pertaining to action points were discussed and followed-up with the members. The activities suggested in the previous meeting were to establish a strong foundation of NAFPO, binding which workable action plan was prepared and presented.

### **Agenda 2- Pathways to scaling up Farmer Producer Organizations**

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The major challenges concerning the FPOs around credit, market linkage and capacity building of human resource were deliberated. This was to bring forward easily implementable action suggestions. Perspectives from practitioners, technology partners and policy advisors amalgamated to expedite on the following suggestions:

S.No	Major Issue	Challenges	NAFPO Suggestions
1.	<i>Credit access for FPOs</i>	Lack of Affordable credit	0.1% of annual agriculture credit targets of banks to be mandatorily extended to FPCs NBFC credit to FPCs should be treated as agriculture credit and refinanced by banks to count against their target
		Lack of data on the demand of credit by FPOs at district level	Data on credit provided to FPCs should be part of RBI monitoring and reviewed at SLBC/SLCC meetings.
		Incomplete utilisation SFAC credit guarantee fund of 1.0 crore	For consortiums of over 10 FPCs, increase SFAC credit guarantee to 5 crores from current 1 crore
			NBFCs funding to FPOs should be eligible for SFAC credit guarantee
			Create First loss default guarantee fund in a PPP mode with banks/NBFCs
		Credit rating of FPCs	Credit rating tool under development: Involve NABARD in the Rabobank Foundation and World Bank assessment of 100 FPCs; also in Samunnati Finance + BMGF assessment of 50 FPOs

2.	<b>Market access</b>	MSP procurement	FPCs and FPC federations should be involved in the MSP procurement operations at par with cooperatives; suitable directions may be issued by GOI to all States.
		Infrastructure development for FPCs	A dedicated infrastructure fund for FPCs has to be created, with 50 per cent subsidy from central government and 50 per cent loan from NABARD on soft terms (single digit interest rate; 1 year moratorium; 10 year repayment period)
			Leverage the database of FPCs with market players for marketing and arrange buyer-seller meets
			FPCs should be given APMC licenses as token price across the country
			5 Joint stock companies to be facilitated by NAFPO as demonstration of larger projects
3.	<b>Professional HR and Technology gap</b>	Data consolidation for linkages	NAFPO to partner with TCS -mKrishi for data management system of FPOs for direct linkages
Support services		NAFPO to partner with BPOs to provide virtual support services (compliances, accounting, pay roll management)	
		Technology support fund for FPOs in SFAC to adopt digital technologies for capturing member data; traceability etc	
Inadequate capacities of Human Resource		SURYA (skill upgradation for rural youth in agriculture) for FPOs in collaboration with NAFPO	

### **Agenda 3- Progress update and Action Plan for NAFPO**

NAFPO over the 6 months of active existence has organized consultative and opinion-sounding multi-stakeholder consultations jointly with apex institutions like FICCI and NCDEX around improving access to credit and markets for FPOs. An Associate Council is convened with 11 members/organisations and more have shown interest in collaborating with NAFPO. For the purpose of visibility, NAFPO was invited in many National level conferences where it actively participated.

### **Agenda 4- Way forward and succeeding activities**

1. Presentation of NAFPO Steering Group Recommendations to Shri Ramesh Chand, Member-Agriculture, NITI Ayog [*Action: Pravesh, Anish, Baskar / Sep 2018*]
2. Donors convention along with Rabobank Foundation, Reliance Foundation, ICICI Bank Foundation and more. [*Action: Rabobank foundation / Nov 2018*]
3. Case studies of successful FPO driven projects like MSP procurement in Madhya Pradesh [*Action: Madhya Bharat Consortium / Oct 2018*]
4. Increase Associate- base for partnerships and resources, especially Primary Associates [*Action: NAFPO team-Ongoing*]