

Pivoting Farmer Producer Organisations: A Convention on Experience Sharing and Learnings

Date and Venue: 29th – 30th January, Bhopal, Madhya Pradesh

The agrarian economy of India is driven by 70% of the 1.32 billion population. The agriculture sector has gained significant focus from the government in the past decade. Farmer Producer Organisations (FPOs) have emerged as the most preferred institutional mechanism for farmer prosperity by policy makers and development agencies. The government's push towards promoting 10,000 FPOs, and a slew of other measures supporting FPOs, including 5-year tax breaks, in the Budget 2018 has made FPOs the lynchpin strategy for doubling farmer's income.

From modest beginnings, the FPO numbers have acquired impressive strength in many States. In the last decade, an estimated 5600 FPOs have been registered and another 10,000-15,000 FPOs will be organised in the coming 5 years. Despite an impressive growth in the number of FPOs across the country, they face several challenges ranging from management of business, irregular supply and lack of timely financial assistance. In addition, only a small percentage of FPOs have been able to truly access the resources required to become robust entities with stateless support and facilitating promoting institutions. More often than not, local level intermediaries are replaced with regional/state level intermediaries, with more or less unsatisfactory outcomes in terms of price realization and terms of trade. The ability to influence this value chain in a significant manner remains far-fetched for the majority of FPOs. With credit being the most important aspect of any business activity the lack of it hampers a major hurdle in progress of FPOs.

State level Producer Companies organized in Gujarat, Maharashtra and Madhya Pradesh, have yielded encouraging results particularly organizing seed production, linkages with processors and MSP procurement. In the context of Madhya Pradesh, the State Government has also introduced many farmer centric schemes like Price Difference Payment scheme, RKVY- RAFTAAR and Agriculture mechanization to name a few along with multiple extension services. The State is also a pioneer in developing FPO specific guidelines to create an enabling ecosystem for FPOs. Many other States like Odisha, Karnataka and Andhra Pradesh are following the same route to support the FPOs. The spread of FPOs promoted is skewed with 60% being concentrated in the Northern and Southern region while the Eastern region has the lowest concentration.

In this backdrop a two-day consultation is to be held on **January 29 & 30, 2020** in Bhopal, Madhya Pradesh in collaboration with NAFPO, SRIJAN & Civic Engagement Alliance around identify the constraints and key building blocks of an effective support to build a strong ecosystem for FPOs to thrive. The aim is to portray success stories and key learnings that can be emulated for the task of promoting 10,000 FPOs in the coming 5 years.

The convention would witness participants ranging from FPO leaders in Madhya Pradesh, Assam, State federations of FPOs and resource institutions/promoting organisations. The participants of the panel will include State Govt bodies- Agriculture Department, NABARD, SFAC and practitioners working on market access, financial access and technology/human resource for management support to FPOs.