



NATIONAL ASSOCIATION FOR FARMER PRODUCER ORGANISATIONS

REPRESENTATION | COLLABORATION | TRANSFORMATION

Making Project 10k FPOs Successful

Minutes of Meeting with Mr. G.R. Chintala, NABARD Chairman and Team

Date: 31st July, 2020

Place: Virtual

Time: 10 AM- 11:30 AM

Participants : Representatives of NAFPO including FPO State Federations, leading FPO Resource Organisations

AGENDA

To deliberate on opportunities created by the 10K FPO Project to build a robust FPO ecosystem in India and discuss challenges and immediate next steps required for launch of high performing FPOs.

Mr. C S Reddy (APMAS and NAFPO) thanked NABARD Chairperson for giving time to deliberate on opportunities and challenges for FPOs and on behalf of NAFPO reiterated commitment to work closely with NABARD to make FPOs success.

Meeting opened with key observations from Mr G.R. Chintala, NABARD Chairperson, which included :

- 1) Mobilisation of farmers and a common purpose of coming together is key to success of **FPOs**, which should be promoted as **business enterprises** where social mobilization and commercial aspects go hand in hand. **Incubation** essential while allowing things to work. NABARD to promote FPOs in geographies where natural resources capital is invested under Watershed, WADI projects etc.
- 2) **CBBOs are the driving force while POPIs will be the key enabler.** Considering CBBOs is a new phenomenon, the role of POPIs in case of NABARD and RIs in case of SFAC and others becomes significant in terms of facilitation of the entire implementation. NAFPO's objectives very relevant to the current problem in hand.
- 3) **NAFPO-IRMA survey** and its results have been an eye opener and helped rethink critical processes. Most likely some recommendation for a change in the current format is likely based on the results of the survey.
- 4) **Flexibility of Guidelines-** The focus was asserted on the 'flexibility' of the Guidelines and that CBBO selection will be done in a democratic manner. All partners in NAFPO should apply. CBBOs are be all and end-all.

Mr Surya Kumar, DMD, FSDD focussed on capacity building of the FPOs as the most important factor in the success of an FPO. He also mentioned that there could be a challenge in the availability of trainers and requested NAFPO to pool resources in making standardised CB material. Mr. Kumar emphasised

Mr Pravesh Sharma, NAFPO Chairperson, thanked NABARD for taking lead in FPO promotion, key to success of various reforms measures announced by Government of India will be aggregation of farmers and in this FPOs are going to play critical role. He suggested that the **Agriculture Infrastructure Fund** by NABARD could be **reserved 30% for FPOs** in developing



NATIONAL ASSOCIATION FOR FARMER PRODUCER ORGANISATIONS

REPRESENTATION | COLLABORATION | TRANSFORMATION

godowns and other infrastructure. He also mentioned that **FPOs should be considered for MSP Procurement.**

Mr C S Reddy, NAFPO Committee Chair on 10KFPO reiterated having a **rating chart for FPOs** and pointed that only 15% of FPOs promoted so far are fully functional due to **complicated compliance requirement** and there needs to be road map for old and new FPOs. He also suggested that NABARD champions a **FPO lending model/guideline for banks on par with the SHG financing/lending model.**

DELIBERATIONS

I. Capacity Building/Digital Systems

- **Capacity Building** to be **standardised** and should be developed centrally to ensure access, availability and consistency in practices and decentralised in dissemination. Availability of Trainers could become a challenge in the coming years therefore, Training of Trainers to be standardised; the material should be available in local languages. There can be Mentorship programme, Export oriented capacity building put together in **Learning Management System (LMS)** with tracking system to see the outcomes as well.

II. Financing

- The **Agriculture Infrastructure Fund** can be administered by NABARD keeping in perspective its track record in Grameen Bhandar Yojana under which have many farmers benefitted from godown facility. On similar lines, 30% of the fund should be reserved for FPOs.
- Given the role that NABARD in financing, it could use one of its existing subsidiary to take on the role of **MSP procurement for FPOs** in at least those geographies where there are good performing FPOs.
- NABARD is the key enabler for FPOs and can play a major role in financing FPOs and allow loans on interest rates of 7-10% and create enabling policies. NABKISAN, subsidiary of NABARD, has taken up multiple pilot projects and has an experience of working with more than 300 FPOs. Based on the experience **RBI may issue comprehensive guidelines specific for FPO financing soon.**
- **FPO Bank linkage similar to SHG Bank linkage** and a full-fledged credit guarantee scheme be launched where FPOs are looked at as business organisations and are provided the necessary skill tools to become successful businesses
- Rating chart- **Rating of FPOs v/s Rating system for FPOs**- A rating score be developed to identify investment grade FPOs for institutions to identify and support strong and successful FPOs while a rating system is required to help banks and other lending institution assess the borrowing capacity and comfort for FPO specific lending- Management Audit should be made integral on par with Financial Audit . It may be both for FPO self -valuation (internal) and third party evaluation.
- An **assessment tool** has been developed by Vrutti called **PICAT (Producer institution Capacity Assessment)** which has both Social and Commercial assessment where the categorisation is done as Basic to Vibrant organisation.

III. Overall

- **Women in Leadership role of FPOs**- Inadequate focus in the guidelines on women farmers in FPOs and their representation at leadership roles of FPOs. Minimum one becomes maximum one. Also, the token 1 woman board member, makes it very difficult for that lone person to participate in trainings and operations of FPO and ends up as tokenism. A different approach be looked at for greater women participation
- A study and a model FPO framework can be developed in Aspirational districts- through networks like RRA and other.



NATIONAL ASSOCIATION FOR FARMER PRODUCER ORGANISATIONS

REPRESENTATION | COLLABORATION | TRANSFORMATION

- **NAFPO as knowledge platform** and initiatives around Human Resource marketplace & Independent Director for bringing governance standards viable & required.

SUMMARY ACTION PLAN

	Action Point	Responsibility
1.	Develop open-source digital Learning Management System for FPOs by pooling available resources across various agencies	NAFPO to share plan by drawing support from APMAS, IRMA
2.	FPO Bank Linkage to be facilitated on the lines of SHG-Bank linkage with orientation to bankers and enabling guidelines	NABARD
3.	FPO Helpline, FPO incubation and Support to strengthen human resource and governance gaps for support in incorporation, legal compliances, training needs etc	Integrated effort across FPO ecosystem housed with NAFPO
4.	NAFPO to formally bring voice of FPO community and contribute to NABARD Initiatives on FPO by participating in the National Advisory Committee on PRODUCE Fund	NAFPO to follow-up
5.	FPO Internal rating system which includes commercial and institutional aspects	APMAS to prepare draft paper
6.	Study on success stories of FPOs during COVID situation	IRMA

PARTICIPANTS

S.No	Name	Designation & Organisation
1.	Mr G R Chintala	Chairman, NABARD
2.	Mr Suryakumar	Deputy Managing Director, NABARD
3.	Mr Pravesh Sharma	Chairperson, NAFPO Steering Committee
4.	Mr C S Reddy	CEO, APMAS
5.	Ms Aruna Rangachar	Chairperson-Advisory Committee, IFHD
6.	Ms Bharti Joshi	MD & CEO, Indian Grameen Services
7.	Mr Ashis Mondal	Director, Action for Social Advancement
8.	Mr Anish Kumar	Trustee, NAFPO and Co Lead, TRIF
9.	Prof Shambu Prasad	Professor, IRMA
10.	Mr Puneet Singh Thind	Founder Director, Northern Farmers Mega FPO
11.	Mr Satya Acharya	PRADAN
12.	Mr Balakrishna	CEO, Vrutti
13.	Mr E Vadivel	Strategic Advisor, Tamil Nadu Consortium of FPOs
14.	Mr Jagdish Pradhan	President, Sabha Vikas Abhiyan, Odisha
15.	Mr Madhu Murthy	Executive Director, APMAS
16.	Mr Vedprakash	Project Manager, APMAS
17.	Mr Aneesha Bali	Project Manager, NAFPO
18.	Mr Vijayragavan	Consultant, NAFPO