



Two-day Capacity Building workshop for Board of Directors of FPOs On FPO concept seeding



Date- 12th & 13th March 2024

Time – 20 participants --10 AM to 5 PM,

Training Location – Rath, Hamirpur, UP

Capacity Building of BODs (Board of Directors) & Agri Entrepreneurs

Transform Rural India Foundation, under the Walmart Foundation project, plans to roll out a capacity training programme for FPO Board of Directors in phases. NAFPO was the knowledge partner for this initiative. NAFPO planned out the training schedule, materials, and methods for the training programme.

Capacity-building training for the board of directors of a Farmer Producer Organization (FPO) plays a pivotal role in enhancing their effectiveness and efficiency in governing the organization. Through workshops, board members are equipped with the necessary skills and knowledge to navigate the complexities of the concept of Farmer producer organization,

agricultural markets, financial management, governance principles, roles and responsibilities as the board of directors and strategic planning. These training sessions foster a deeper understanding of the FPO's objectives, empowering directors to make informed decisions that drive sustainable growth and maximize benefits for their members. By investing in capacity building, FPOs not only strengthen their leadership but also cultivate a culture of continuous improvement, ensuring long-term success in serving the needs of farmers and the agricultural community.

About NAFPO

NAFPO (www.nafpo.in) is India's apex multi-stakeholder organization for Farmer Producer Organisations (FPO), it is a unique voice of the FPO community comprising FPOs, Promoters – NGOs, donors, government bodies and related stakeholders. NAFPO is a civil society initiative to create partnerships and develop an enabling ecosystem to facilitate the emergence of robust FPOs with the integration of multiple stakeholders. Over the years, NAFPO has successfully developed an elaborate network of close to 100+ Associates and integrated multiple partnerships with stakeholders to develop end-to-end support ensuring that FPOs develop into viable member-owned business enterprises serving their members. NAFPO's primary goal is towards sector building, FPO support, and strengthening via policy advocacy, and acting as an identifier and enabler for multiple institutions to participate in the strengthening of FPOs.

Capacity Building Workshop on FPO concept seeding for Board of Directors (BODs), Agriculture Entrepreneurs & Executives of 10 Model FPOs of Uttar Pradesh

Capacity Building Workshop was conducted between the 12th and 13th of March 2024 in Rath, Hamirpur, UP for 3 districts of UP. The 2-day workshops conducted were attended by 20 participants.

The training programs are intended to help participants develop an understanding of basic concepts of FPO, legal compliance, financial management, and business plan for their block FPOs and in furthering understanding of what an FPO is, the need for an FPC and its objectives, need for business planning in an FPC, components of a business plan, understanding FPO's customer, Business plan model canvas and business planning exercise. The training program also addressed some of the major challenges FPOs face with respect to business planning and the same was addressed via the use of the Business Planning module of NAFPO MCS and accounting vis SimplyKhata. As the end objective, at the end of the workshop, all 10 blocks were able to conduct Concept seeding of FPOs among Women farmers/Staff of their respective block FPOs and business plans for FPOs of their respective block. The end objective and in-depth learning were achieved.

The registered FPOs were from across all marked 10 districts of UP state where FPOs under the 10K FPO program are promoted by UP SRLM and supported by TRI and Walmart Org. Participants assembled at their respective training locations for the 2-day residential in person training and training was conducted by our **Resource persons – Vijayaragavan R (NAFPO), Vaishali Gite (NAFPO)** being present in person. At the training location, participants

were provided with stationery, training materials, projector, Laptops/ computers, Wi-Fi access among others to ensure smooth progress of training activities. Both sets of workshops followed the same pattern/schedule and the following activities and topics were covered during the training.

Training Topics covered

Day 1: Fundamentals of FPO Concept Seeding and Governance & Compliances, Roles & Responsibilities of Board of director & human resources.

The training program covers the fundamental principles of governance and management, including the roles and responsibilities of the board of directors & CEO, decision-making processes, visioning, and perspective-building. During the training presentation, and video was shown for a better understanding of the FPO concept.



- FPO Inception & incorporation-registration under the Companies Act, different registration structures available
- FPO Concept and benefits of becoming part of a collective
- Identification of challenges in farming and the importance of collective power
- Understanding the role of the Board of Directors, members, and staff like CEO, Accountant, etc
- Building perspective of the Board of Directors to identify as leader of a collective
- Women empowerment and identifying women as farmers and owners of the FPO by becoming a share member.
- Documentation involved- MoA, AoA, By-laws, Col
- FPO Membership Building and Patronage
- Share the compliance calendar

During the session, group activities were conducted. Three groups were formed, and they discussed among themselves the challenges faced by individual farmers. Each group then presented their key points. Following this, they deliberated on the idea that if all farmers come together to form a Farmer Producer Company (FPO), they can collectively address the challenges faced by individual farmers. They discussed various activities they could undertake together, such as purchasing inputs and selling outputs. This collective effort would not only increase the income of individual farmers but also generate profits for the company, which would be distributed among the farmers. Through this activity and presentation, they gained an understanding of the concept of FPOs and how they function



An important aspect of FPO's growth is building membership capital and more importantly, building a value proposition for members to purchase shares in the company to become share members.

- Understanding who is a member and how to mobilize membership based on service delivery at the FPO level
- Importance of giving receipts to members and collecting the member data to the FPO office.
- Importance of membership building
- Understanding the complexity of patronage and dividends and how to distribute shares and manage share capital- concepts of ownership and share capital
- Currently all 3 FPOs have 300-plus memberships.

FPO Governance & Compliance

During the FPO governance & compliance session, a picture illustrating FPO governance was shown, highlighting the key stakeholders and how it functions. The importance of the Annual General Meeting (AGM), the principle of one vote per member, and the significance of the governance body structure were discussed. Participants were briefed on the process of incorporating an FPO under the Company Act, including the necessary documentation. Essential documents such as the incorporation certificate and Memorandum of Association were explained in detail. Following registration under the Company Act, the FPO must adhere to various compliance requirements, including holding an AGM annually, conducting a minimum of four board meetings, filing income tax returns, and undergoing an annual audit. Additionally, the FPO's office address must be registered with the Registrar of Companies (ROC), and every shareholder's information should be updated with the ROC. Share certificates must be distributed to each member. All aspects were thoroughly discussed to ensure a comprehensive understanding of FPO governance and compliance among the participants.



About Central Sector Scheme

Regarding the Central Sector Scheme, here is an overview of the 10,000 FPO formation central sector scheme. The explanation includes details about the scheme's concept, management fund distribution, such as the allocation of 18 lakhs for each FPC to cover specific expenses like the salary of the CEO, accountant, FPC office rent, electricity bill, fixed assets, stationery, etc. The funds are disbursed in five installments. FDRVC is the Implementing Agency for this FPOs. Currently, all 3 FPOs have received Rs. 3,00,000 in their FPC accounts. As part of the training, it is emphasized that each FPO must submit a utilization certificate. The Board of Directors (BOD) is responsible for verifying and maintaining all original documents related to the fund utilization. In this session shared the importance of fund utilization under each head,

the importance of documentation bills maintaining and monitoring the process. To understand this resource person has shared the examples and activity.

Planning & Monitoring- Human resource management

This training program is focused on Planning & monitoring the FPO human resources & its importance. It covers the roles and responsibilities of the BOD, CEO and accountant. BoDs plan the various activities with the FPO CEO and monitor the overall HR. This training is important so everyone knows their work and responsibility and it helps to implement the action plan in the field.

- Role and responsibilities of the BOD, CEO and Accountant and other FPO staff
- Importance of Governance and management of FPO staff- regular meetings and review mechanism
- Need for reviewing FPO staff and building perspective of the FPO Board of Directors as Leaders of the FPO
- A presentation was shared on this topic with an activity. All participated actively involved in this session and understood their roles and responsibilities on the Board of directors of the farmer producer company.



Participants gained awareness about the crucial roles and responsibilities of FPO's CEO and BODs, emphasizing their significance in supporting FPO development and contributing to the successful functioning of an FPO.

Specific reflections from the BOD members include

- One board of directors mentioned that they are currently attending monthly meetings of the FPO and fulfilling compliance requirements. However, they proposed a plan to hold regular monthly meetings, totaling 12 meetings per year. In these meetings, they intend to strategically plan out monthly or season-wise activities according to their roles. They will also review the work done by the staff in the previous month and address any difficulties or challenges faced. Additionally, they plan to seek support from stakeholders when necessary.
- One Board of Directors (BoD) mentioned that they have 300 members in the FPO, and although they have received management funds, they haven't utilized them thus far.

However, they now plan to use the funds in accordance with the designated fund allocation, ensuring proper documentation of expenditures.

- One Board of Directors mentioned that they will soon hire a CEO and Accountant through a proper advertisement and interview process. Additionally, all Board of Directors (BoD) will attend monthly meetings to monitor the staff's work.
- One member expressing a commitment to refrain from signing blank checks or documents without proper supporting documentation.

Day 2: Recap from Day 1, Business Planning- Introduction & Concept -FPO Business Planning, Need for Business Planning, Business Plan Process and Steps to follow, Components of Business Plan & Template and Value Chain.

The second day of the training started with a Recap session of topics and discussion from day 1. Trainer Vaishali Gite led the Recap session with a quick brief of topics from the previous day. Participants were asked to share their learning from Day 1 with other participants by coming up in front of the cohort. Each Participant was given a Topic from the previous day to elaborate and share what they learned. There were over XX number of presentations. Any doubts or clarifications from participants were cleared and participants were appreciated for their understanding and confidence in presenting the learning.



Post the recap session, Vijayaragavan. R, Trainer, introduced the set of Topics that will be discussed during the day. What is a Business Plan? What is the need for a Business Plan? What are the benefits of making a Business Plan? Business Planning – SWOT Analysis, Business Planning Process and Components were the topics to be introduced during the session in the first half of the day.

Using a presentation format, the Basic concept of FPO Business Planning around -What is Business Planning? Why an FPO Business Plan? The aim and Objectives of FPO Business Plan, and concepts around the need and benefits of making a Business plan were introduced to the participants during the Training session using real-time examples and the medium of discussion was Hindi. Real-life examples were used to highlight the importance of planning and participants were asked to participate in a two-way discussion with the trainer and among themselves. Participants realized how a business plan acts as a goal or target to work towards and how can help understand how their FPC is performing and if they can expect their company to turn profitable.

Post Basics of FPO Business Planning and Business plan concept seeding exercise, concept on FPO Business planning process – What are the possible FPO Business FPOs can carry out (Business Ideas)? Selecting and Shortlisting FPO business, Identifying SWOTs of the business were discussed with participants followed by a group activity where participants were given an example business/commodity – Milk, Potato, Wheat, Rice (Dhan) to list down the business they can carry out with the specific commodity and the associated SWOTs for each commodity.

This was followed by showcasing 2 videos on FPO success stories – 1 FPO in UP (Arch Chips) and 1FPO in MP working on Soybean commodity were used as use cases/examples



Using Presentation participants were introduced to the various Component of Business Plan and to help Understand the FPO’s customer and Value chain participation in FPO. We used examples of Santra/Orange to show the complete value chain for a FPO to participate. Participants were given a few commodities and asked to walk rest of the participants through the value chain of the commodity. This was done to understand and enhance their understanding and encourage the FPOs to take up higher value chain activity.

Resource person and facilitators saw good participation from all participants in both concepts seeding phase and the group activity-based learning phase of our training

Primary exercise on Business Planning of FPCs -Showcasing and Reviewing Business Plan - Business Planning Template – EXCEL SHEET, Business Planning on MCS

In the second half of day 2 of the training, Components of a business plan, business plan templates were presented and participants were encouraged to identify the challenges pertaining to business planning for their FPO and understand a business plan template. Prompts were provided by resource person to encourage participants to think about business opportunities available and to include them in their business plan template in the future.

The participants on the Second day of training were encouraged to sit with their respective FPC executives and other members to carry out the exercise on Business Planning of FPCs post the training taking into account their learnings -Participating Block Practitioners,

executives, AEs were asked to work BODs to develop an action plan to think about business opportunities and create 6-month work plan around business development for their FPO.

FPO Operating Systems – NAFPO Management Control System (MCS), SimplyKhata

The participants were informed about NAFPO’s MCS tool – FPO Management Control and support system for FPO management and SimplyKhata – accounting tool for FPOs. They were informed that the users of the tools will be CEOs/Executives and we will be organising an online orientation for Executives in the coming week on both both NAFPO MCS and SimplyKhata.

NAFPO MCS – a full-fledged ERP tool for FPO management designed by FPO sector leaders and Rural Information System designers. The tool enables any FPO keep complete record of its operation aspects from member details to, FPO profile, cropping patterns, best practices, natural farming, Package of practices, Capacity Building programs, Business plan development etc.

SimplyKhata- the accounting software for FPO record keeping and book keeping.

The 2-day training concluded with Prayer followed by team building exercise. A quick recap of the daily topics discussed was done to ensure participants recollect and leave with a thought on various discussions followed by an assessment section and certificate distribution.

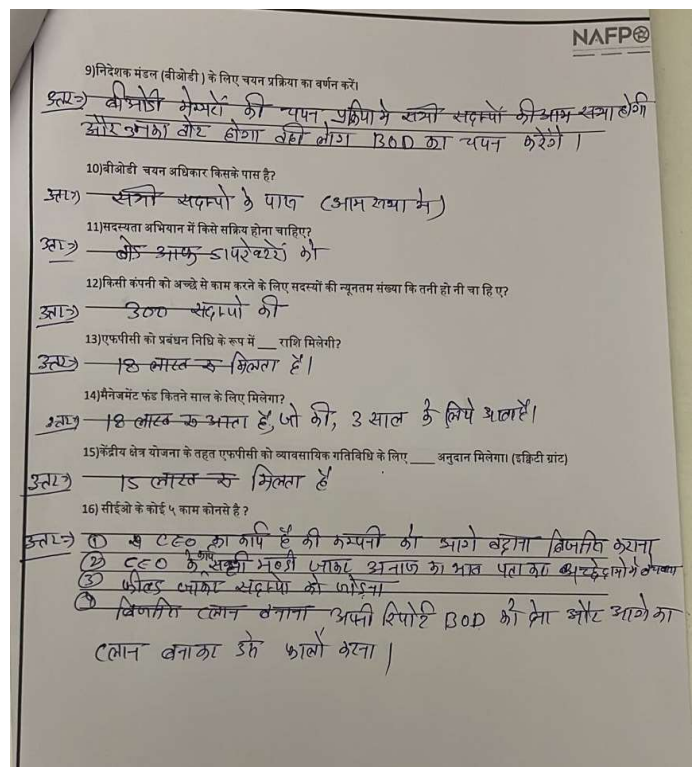
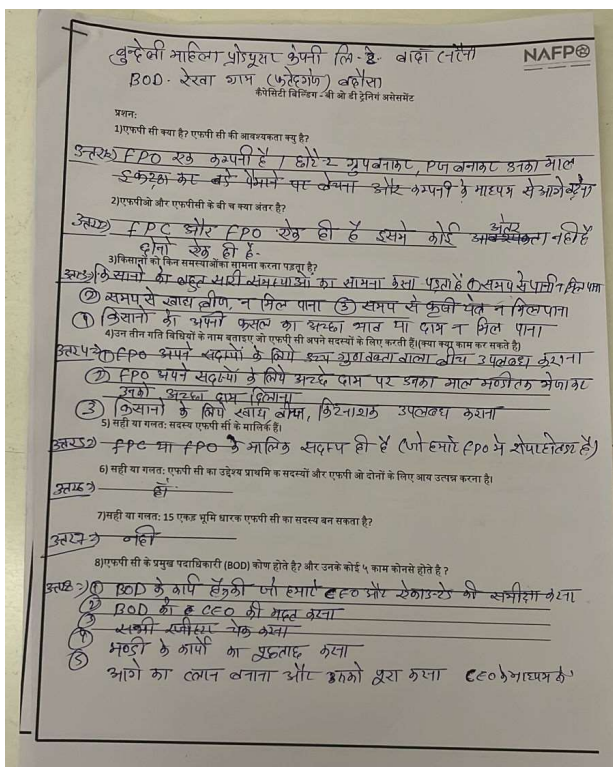


Learning Outcomes:

The training program successfully accomplished its primary objective by providing essential understanding and knowledge to the Board of Directors on various aspects, including the concept of FPC, challenges faced by individual small landholding farmers, the necessity of FPCs, FPC activities, benefits of FPCs, structure, membership drive, FPC compliance, Business Planning, Business Plan Canvas & Template. Participants were made aware of the roles and responsibilities of FPO's CEO & BODs, their role in supporting FPO development and how important they are to the successful functioning of an FPO. During the training participants realised the challenges with respect to business development for their FPOs.

Assessment of the Training

After the two-day training, an assessment was conducted. Participants completed 16 questions and wrote down their understanding. The purpose of the assessment was to evaluate the training outcome, which aimed at ensuring that the Board of Directors (BOD) comprehends the concept of FPO (Farmers Producer Organization).



Feedback from BOD on Training

After the two-day training program, feedback was provided by all participants. This feedback covered their understanding levels on topics, the training methodology, training content, rankings of resource persons, and suggestions for any needed changes in the training process.

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एफपीओ कॉन्सेट सीडिंग ट्रेनिंग प्रोग्राम फीडबैक फॉर्म
12-13 मार्च 2024

प्रिय प्रतिभागी,

किसान उत्पादक संगठन (एफपीओ) संकल्पना कॉन्सेट सीडिंग प्रशिक्षण कार्यक्रम में भाग लेने के लिए धन्यवाद। निरंतर सुधार के लिए आपकी प्रतिक्रिया हमारे लिए महत्वपूर्ण है। कृपया प्रशिक्षण सत्रों पर अपने विचार साझा करने के लिए कुछ मिनट का समय निकालें।

व्यक्तिगत जानकारी:
नाम: रेखा
एफपीओ का नाम: बुद्धि प्रहिता प्रोड्यूसर कंपनी लिमिटेड बोंदा (नरसि)
पद: BOD
संपर्क जानकारी: आम्से एस्टाब्लिशमेंट फेडरेशन बोंदा (नरसि) बोंदा

प्रशिक्षण सामग्री: ट्रेनिंग कंटेंट
एफपीओ की समझ: प्रशिक्षण में प्रस्तुत बुनियादी अवधारणाओं के बारे में अपनी समझ का मूल्यांकन करें।

- उत्कृष्ट
- अच्छा ✓
- ठीक
- साधारण

निदेशक मंडल (बीओडी) की भूमिकाएं और जिम्मेदारियां:
आपको क्या लगता है कि प्रशिक्षण में बीओडी की भूमिकाओं और जिम्मेदारियों को कितनी अच्छी तरह कवर किया गया है?

- बहुत व्यापक ✓
- कुछ हद तक व्यापक
- तटस्थ
- नाकाफी

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ट्रेनिंग के बाद एफ पी ओ की समझ कोनसे स्तर पे है
जितनी पहले थी उतनी ही

- समझ बढ़ी है
- समझ बरोत अछेसे बढ़ी है ✓

प्रशिक्षक ने किस तरीके से ट्रेनिंग की

- प्रेजेंटेशन दिखाके ✓
- एक्टिविटी लेके ✓
- गोम के माध्यम ✓
- ग्रुप डिस्कशन ✓

गोम एक्टिविटी से विषय पे सिक बढ़ी

- हां ✓
- ना

एफपीओ में सदस्यता का महत्व:
क्या प्रशिक्षण में एफपीओ में सदस्यता के महत्व पर पर्याप्त जोर दिया गया?

- दृढ़तापूर्वक सहमत ✓
- सहमत
- तटस्थ
- असहमत

एफपीओ कंप्लायंस
प्रशिक्षण में एफपीओ कंप्लायंस पहलुओं की कवरेज का मूल्यांकन करें।

- उत्कृष्ट
- अच्छा ✓
- ठीक
- साधारण

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एफपीओ में बिजनेस प्लान का महत्व:
एफपीओ में व्यवसाय योजना के महत्व पर दी गई जानकारी आपको कितनी मूल्यवान लगी?

- अत्यधिक मूल्यवान
- कीमती ✓
- तटस्थ
- बहुत मूल्यवान नहीं

एफपीओ के लिए डिजिटल उपकरण: सिम्पलीखाता और एमसीएस
एफपीओ के लिए विभिन्न डिजिटल टूल पर प्रदान की गई जानकारी की प्रभावशीलता का मूल्यांकन करें।

- बहुत ही प्रभावी
- असुरदार ✓
- तटस्थ
- अप्रभावी

समग्र प्रशिक्षण अनुभव:
प्रशिक्षण सामग्री:
प्रदान की गई प्रशिक्षण सामग्री की गुणवत्ता और प्रासंगिकता का मूल्यांकन करें।

- उत्कृष्ट
- अच्छा
- ठीक
- साधारण ✓

आपको अपने बोर्ड ऑफ डायरेक्टर के कार्य और जिम्मेदारियों की समझ बनी

- हां ✓
- ना

प्रशिक्षक योग्यता:

NAFP®

सामग्री प्रदान करने में प्रशिक्षकों की क्षमता का आकलन करें।

- उत्कृष्ट
- अच्छा
- ठीक
- साधारण ✓

आप ट्रेनर को कितने मार्क देना चाहेंगे

- 1-3
- 4-7
- 8-10 ✓

क्या इंटरैक्टिव सत्र अवधारणाओं को समझने में लाभदायक थे?

- बहुत फायदेमंद ✓
- फायदेमंद
- तटस्थ
- बहुत फायदेमंद नहीं
- बिल्कुल भी फायदेमंद नहीं

सुधार हेतु सुझाव:
आपके अनुसार प्रशिक्षण के किन पहलुओं में सुधार किया जा सकता है?

हमारे अनुभवों के आधार पर हमें लगता है कि प्रशिक्षण के दौरान अधिक प्रतिक्रियात्मक और संतुष्टि देने वाले सत्रों को शामिल करना चाहिए। प्रशिक्षण सामग्री को अधिक प्रासंगिक और अपडेटेड रखना चाहिए। एफपीओ के बारे में सिखाने वाले अधिकारी को प्रशिक्षण में शामिल करना चाहिए।

हमको प्रशिक्षण में एफपीओ के बारे में सिखाए गए विषयों को बताना चाहिए। हमें अपनी क्षमताओं को आगे बढ़ाने के लिए अधिक सत्रों को शामिल करना चाहिए।

अतिरिक्त टिप्पणियां:
प्रशिक्षण के दौरान अधिक प्रतिक्रियात्मक सत्रों को शामिल करना चाहिए।

हमारे अनुभवों के आधार पर हमें लगता है कि प्रशिक्षण के दौरान अधिक प्रतिक्रियात्मक और संतुष्टि देने वाले सत्रों को शामिल करना चाहिए। प्रशिक्षण सामग्री को अधिक प्रासंगिक और अपडेटेड रखना चाहिए। एफपीओ के बारे में सिखाने वाले अधिकारी को प्रशिक्षण में शामिल करना चाहिए।

आपके बहुमूल्य फीडबैक के लिए धन्यवाद।

आपकी अंतर्दृष्टि हमारे भविष्य के प्रशिक्षण कार्यक्रमों को बढ़ाने में योगदान देगी।