



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



Date- 17th & 18th Jan 2023

Time – 31 participants --10 AM to 5 PM,

Training Location – Mirzapur, UP

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

Board of Directors and CEOs form the backbone of the FPO's management, governance, and its core functioning. Together they form the FPO's leadership. BODs have a very important role to play in the Management, Governance and Growth of an FPO, while CEOs play a vital role in execution of management decisions and in helping FPOs achieve their mission and vision. BODs and CEOs are responsible for overall decision making and management. Hence, it becomes critical to impart understanding and knowledge/ train FPO's leadership to understand its role and functions in an FPO. Board of Directors play a critical role in improving governance and structures within FPOs, and CEOs in execution thus adding to the growth and capacity of the institution. Capacity Building of BODs and CEOs will have a direct impact on governance, management, availability of credit/finance, market access and linkages essential to the success of an FPO.

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

The Workshop on FPO concept seeding is the initiative of Transform Rural India Foundation (TRIF) with the support of Walmart Foundation and UP SRPM with NAFPO as the Knowledge partner. Capacity Building Workshop were conducted between 1st and 2nd of January 2023 in Mirzapur, UP for 4 districts of UP. The 2-day workshops conducted was attended by 31 participants.



The training programs intended to help participants develop a understanding of basic concepts on FPO, legal compliance, financial management, business plan for their block FPOs and in furthering understanding of what an FPOs is, the need for an FPC and its objectives, need for business planning in a 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 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/BoDs of their respective block FPOs and business plan for FPOs of their respective block. The end objective and in-depth learning was achieved.



The **Workshop** program had over **31** participants from **4** FPO Blocks of UP for the workshops. 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 location 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, Roles & Responsibility and Compliances.

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 FPO session, participants engaged in a group activity involving presentations. They explained the challenges faced by individual small landholder farmers and emphasized that if all farmers unite to form an FPO, they can collectively purchase high-quality seeds at a lower cost. This collaborative effort will benefit members by ensuring timely access to quality seeds at a reduced price. Additionally, the FPC (Farmers Producer Company) will facilitate input and output activities, providing valuable assistance to individual farmers.

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 membership building
- Understanding the complexity of patronage and dividends and how to distribute shares and manage share capital- concepts of ownership and share capital

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. Currently, all four 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.

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 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

Day 2: FPO Business Planning, Need for Business Planning, Business Plan Model Canvas & Template

Basic concept of FPO Business Planning around -What is an FPO Business ? and Why an FPO Business Plan? – Aim and Objectives of FPO Business Plan, and concepts around the need for Business plan development and Business planning template were introduced to the participants during the Second day of Training session. Post FPO and Business plan concept seeding exercise, concept on Why do FPC need a Business Plan? and What is Business Plan? were discussed with participants followed by a group activity to show participants the various Component of Business Plan and to help Understanding the FPO's customer. 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.



In the second half of day 2 of the training, Components of a business plan, a model canvas were presented and participants were encouraged to identify the challenges pertaining to business planning for their FPO and present 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.

Primary exercise on Business Planning of FPCs -Showcasing and Reviewing Business Plan

The participants on the Second day of training were tasked with an exercise on the Business Planning of FPCs and the next 3-month work Plan of each FPC -Participating Block Practitioners were asked to develop an action plan to think about business opportunities and create 6-month work plan around business development for their FPO. This was followed by showcasing multiple FPO success stories to inspire the participating BOD.

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

The Block Practitioners were introduced to NAFPO's MCS tool – an 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. The tool was introduced and the participants were trained on using the tool apart from this the participants were introduced to 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.



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. Moreover, all participants were actively involved in preparing a business plan for FPOs.

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 member expressing a commitment to refrain from signing blank checks or documents without proper supporting documentation.
- Another BOD mentioned that she used to believe that BMM and DMM were solely responsible for the membership drive. However, moving forward, all five BOD members have decided to personally visit the village, approach farmer women, and encourage them to join the FPO. We will explain to them the importance of FPO and the benefits they can gain from being a part of it.
- One BOD mentioned that it has been over a year since our FPO was registered, and we have only visited our office once. However, moving forward, we have decided to conduct monthly regular meetings, and we are also planning to hire FPC staff soon.



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.