

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE
LOK SABHA
UNSTARRED QUESTION NO. 2600
TO BE ANSWERED ON THE 4th AUGUST, 2026
SUPPORT FOR FARMER PRODUCER ORGANISATION

2600. SHRI SELVAGANAPATHI T.M.:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether it is a fact that despite the Government's concerted efforts, many Farmer Producer Organisations (FPOs) are struggling to achieve economic viability;
- (b) whether it is also a fact that the National Academy of Agricultural Sciences has recommended that institutional buyers must prioritise (FPOs) in the procurement of both food and non-food commodities;
- (c) whether it is also a fact that the Government has been maintaining that it will help in the formation of 10,000 FPOs;
- (d) whether it is also a fact that many FPOs struggle to achieve the economies of scale required for profitability due to many factors; and
- (e) if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a): The Government is implementing the Central Sector Scheme for "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs). 10,000 FPOs have been formed under the scheme since 2020-21. FPOs undertake a wide range of business activities including agri-input supply, aggregation and trading of agricultural produce, value addition and processing, seed production, digital commerce through e-market places, custom hiring services & export promotion. From the audited financial statements 2024-25 of the scheme FPOs, 6964 FPOs had a turnover of up to Rs.50 Lakh, 862 FPOs had a turnover of Rs.50 Lakh to Rs.1 Crore and 1135 FPOs had a turnover of over Rs.1 Crore.

(b): The National Academy of Agricultural Sciences, in Policy Paper No. 144, covers all FPOs registered in the country. The recommendations in the Policy Paper No. 144 include promotion of FPOs - industry linkages, link institutional buyers with FPOs, strengthening linkage of FPOs with Research & Development etc.

(c): Under the 10K FPO Scheme, financial assistance of up to ₹18 lakh per FPO is provided to meet management and handholding expenses during the initial 3 years. A matching Equity Grant of up to ₹15 lakh per FPO is provided to strengthen the capital base of eligible FPOs and Credit Guarantee Facility for project loans of up to ₹2 crore per FPO to improve access to institutional credit. In addition, each FPO is provided 5 years of handholding support through a Cluster-Based Business Organization (CBBO) for capacity building, business planning, market linkages, and overall institutional development. Till date 827.81 crore has been released to the FPOs registered under the 10K FPO Scheme as management cost and Rs.631.98 crore as matching equity grant.

(d) & (e): So far, under the 10K FPO Scheme, more than 65 lakh shareholders (predominantly small and marginal farmers) have been collectivized to leverage economies of scale. As on date, for greater bargaining for input supply, 6928 FPOs have seed licenses, 4987 have pesticide licenses and 6650 have fertilizer licenses. 5765 FPOs have their own processing units and 3083 FPOs have availed credit guarantee.
